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TSX Group Inc.

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DAX RIV NKC SXT NAE TIW TXZ DDD ARL COC COR FOR HKY TXR PAA CGS UNS TMY
NAL LGY EFL PWF SNC MRT EIA STR TDG AGT PAZ PNG CUP BAN SGO XIN PSA SIT
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THY DHF IUR AN NMR NFC DMX TRH BPT INZ
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RND AFF ACL DS TCF TTF RPC
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ELF HCG MBT FCE NLC NF UNF
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PCL.P MMG CLT NUT.P ERG.P RCR.A DDN KBE CKG ENE.P FYL DAV KLC.P AGO.P TLN MUS.A
LXR.P VTR.P SSO GCD SJR.A AZS ENT AED GBG FH TBP.E CPF RGW AVR LMN SEA ARP IPC ACS CFX
CHI TIC PMZ DSP YLA RME AAM MIR RSA TEW NAB YGG MXG DYN YMC.U IHI RBM JPL UN PIH UBS
GG CLK CVI.A SVH KHL OGX PTZ BIS.A XDM WLL UN CLH PTM P TEC AFA ZCO WTA.A BU ICI JNX SRU
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YME TTZ FGR.A RCP RVG SAK SET DNI YDL RTN BDR KIC YMH DBL TUL POH OPL YHM.A IFX.A ITC SBT ZNI FBC MIL TBX BSD
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CTP MBG CXP WSG PLM YHR TSD TJZ TNW QHR RPF SAW TRD COT TTX SWJ KRE EEG LEO YHO ADK ESC AWP A SHR
TSA CYF RIP EQT NWX BUC EAS YHW MLN DIG SII YNO AUQ AME YLI CPY GGC REN PXI XX QRF NTH WWE SHE MPR
MXO CHD AVY JBA FRL KTE VBX ODN THM FRR FR CBR MOM STX IGF REX NMM AUL DIR KRX YGL ONG PCF MSS
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YMT.A ILO TEX.A IHP GE BFG SNI.PR.A ICE SHD PXN NCI GEW YWE SAE CYP IAL MBM ACV BAL
YLN KFG YLS UC MNQ CGU KTR PTX AGR ECM PRR NCR BOP JUN IDY YVL CYA ESC BLV THU
IMS GSA MDB MGD HEI SFR EM MGC CLZ MDC AAT BLG PHR OOL SCX AUW CER TOP EXC
FIC ISY FEV KBC PN NHD LOG SSM TN MBS.P TMD RTE CHR KNQ SAZ SMP GTY T AUG
VAX AFS PCI ALZ SEP YMO KIK EIG ITV ICN REQ HSA WWR SEI SIO KSA FNC YEY FDO
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YTS SCE DEP YCL GWS EUR UVI CRR.T YFI VTE CLW SD IXC.U SK WSM MER
AQ.B CRX CRV.P HGO TEH.P TRU PV IVY MML.T YWM A RIS COW ACE
AVW PXM FLA TXA GVI TLV DTE CAD.P ALK DNY FWI COY ABU DVE
BVC CTH DGO AIF MOR GTL JRZ FPN YBO JTC IVS AEI NXX QTX RTL
UPL YJT TVN FDY KRA BLI LYR BRR T YBO CRP GUA XCE P CPP P
FOT GLD MTB RIT MNE YNR CE KRP IEC JZZ A HAN ENN RAM
CTA CPO WFG NWM FVW P MTV CYU EXP YXC T QTA ILX
POP SA YAE A UTI TXS YAF U DTK NWR MHC VST YRH
ITX WAE A STH FLI LDC YBT AUT CWB CKD YNU COA
GGI QVA CYH SYT XST CYB WLS P THS ODC UK T
ZAP A BIN A OII BG PJN OLM CAP IVL QBG IGR
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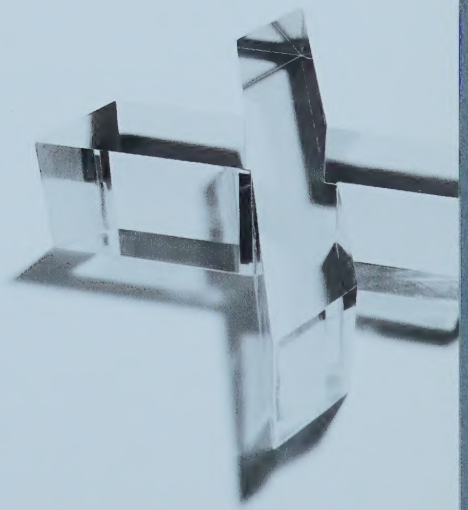
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PNR
GOI HDA
GPG MSP ARY
RTY KPG CWV
PPZ YSC FUN.A YPF.A
COX YMN ABS.T YCI HUD
YCB.A NAG DSI NTR TBY EVR
YHT FSI YPJ EUO IDE SSZ ABA RAW
NTA UGR CGY AIK EVV RHN ADS YIW LBE
BBA TTS IVE APB.A MEX JOC NIS KGC EVU
BVS DVE SYR USV ATV HM HTF VME GFG YSU BRC
AVM CIN PA MIN BBC CHX VGV LPI CCF CHZ VSN.P
WAM AMB SKV FBF MEN CWN BLN LMG SOV DJR.T TTI YZL
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NLX CIZ ESM SRN YIQ ILM GRX AHO CPC FER YPE BKD PEI YCD YHL
IXT CPM ESH ERZ FLG HRZ AVC.T PPV BHL RNM AIR CEU NGC.T YKT
PII LTM NVT WCR GCT CVR FZV ARC GWY INF CWK GSE.T EBL CQM MLI RR
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BTD.T CSL.T CSE.T CLJ.T CFN.UN CZE.T CBM.T EAX.T GCS.T CGB.T GHG.T CKT.T ILN.T
GHA.T GZZ GMK.T GDR.T GRA.T HTO.T HWP.T HFS.T HE.T HTH.T IAA.T IGN.T YID.T ALL.T
MRA.T MBR.T MVR.T MC NEU.T NIK.T NOX.T NRC.T OX.T PCV.T PLL.T PVI.T PGA.T PTN.T PNW.T
SYZ TMT.T TPV.T TSS.T YCF.T THV.T TOW.T TWD.T TDO.T TAL.T UMJ VHV.T VSY.T YVS.T VIQ.T WHD.T
AMF AWG AMD YAM AOI ATR AQB AQL ARN AAY.P ABM BTB.P BTY.P BVN.P BKN BTV BKH BVT BNN.PR.F
CVX CVU CRB.P CXR CXW CYA.P CZM DHI DIN.P DVC DYC ERL ELT ERV EQS ETV EDI EXM.P ORT.A FXM FTC FI
IPZ IIX IPF IRX SHS.P JEI JNB JPY KIN KBX KOD LTO LAT.P LET LLL MCD MRK MRI.U MIC.S YMX.WT MPN MYV.P ICZ
ONS OCN PVG PTH PCH PKS OPT PUC PMN PDC PFE RMP RHR RBD.A YRV YRQ RGF RUM RVI SVE.P SND SEN.P SVZ SGN
TMR TMP.P TIN TXG TGS TNA TPP YTK UFX UDM YUR UCG.U VNC WWP.P WCI GYS ZCC.P YIF TV INU IPR YQN IWX MBM

X

November 12, 2002 – The common shares of TSX Group Inc. trade on Toronto Stock Exchange under the ticker symbol "X", the first public listing of a North American stock exchange.

2002 marks an important milestone in the evolution of TSX Group Inc. As we embark upon a new era as a publicly listed company, we are opening the doors to a new world of opportunities for our organization and the people, companies and communities we serve. In this, our first report as a public company, we have set out to demonstrate our sustained leadership role in the Canadian capital market. In essence, this report is about the value of X.





"TSX Group's stewardship in the area of corporate governance guidelines has helped to provide Canada's capital market with the integrity and transparency that are renowned around the world."

Purdy Crawford, O.C., Q.C.
Counsel, Osler Hoskin & Harcourt LLP
Toronto



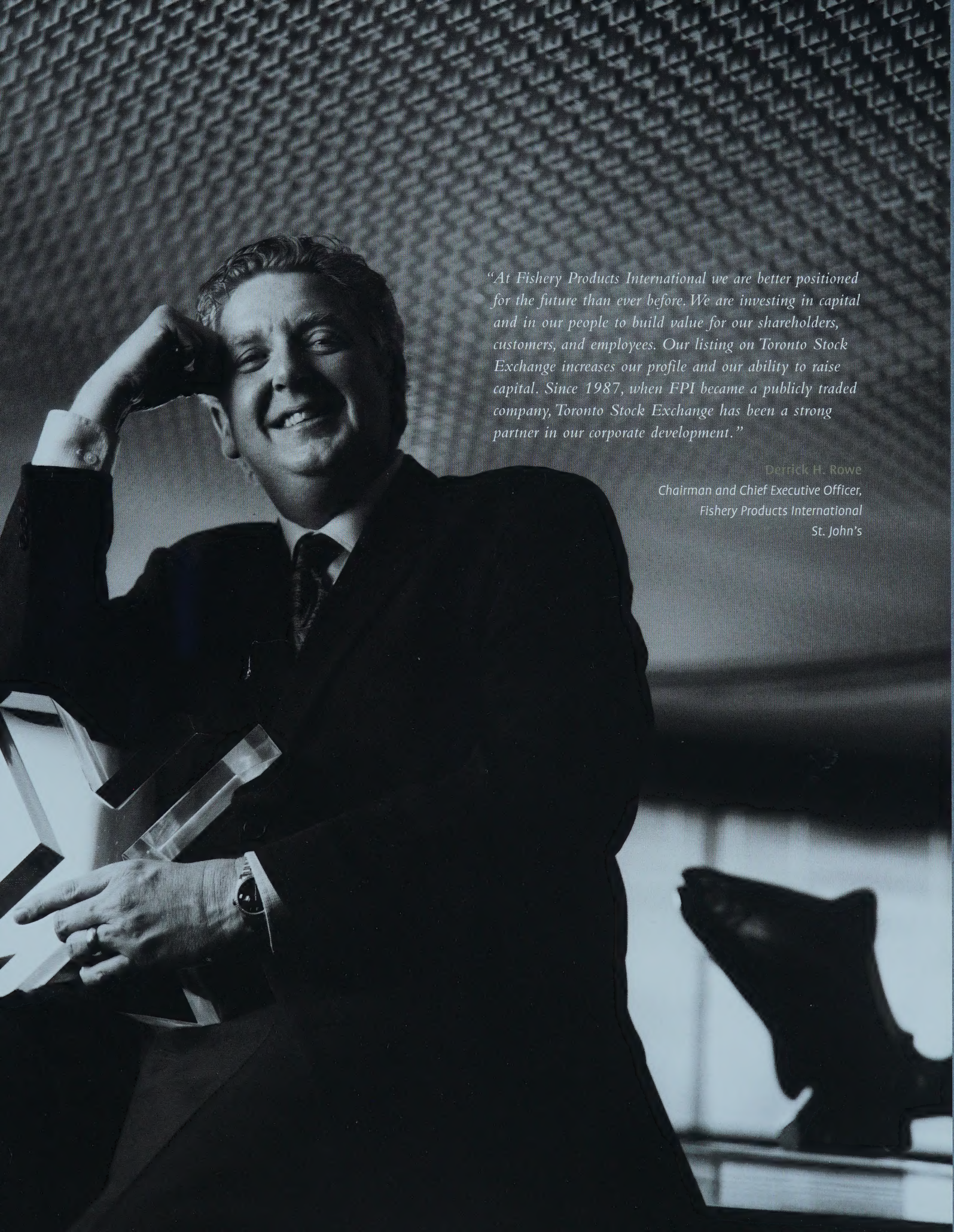
"Inco is just one among thousands of Canadian companies who have relied on Toronto Stock Exchange over the past 150 years to help build themselves and the communities where they work. Think of the cumulative impact that has made on the growth and development of this country."

Scott M. Hand
Chairman and Chief Executive Officer, Inco Limited
Toronto



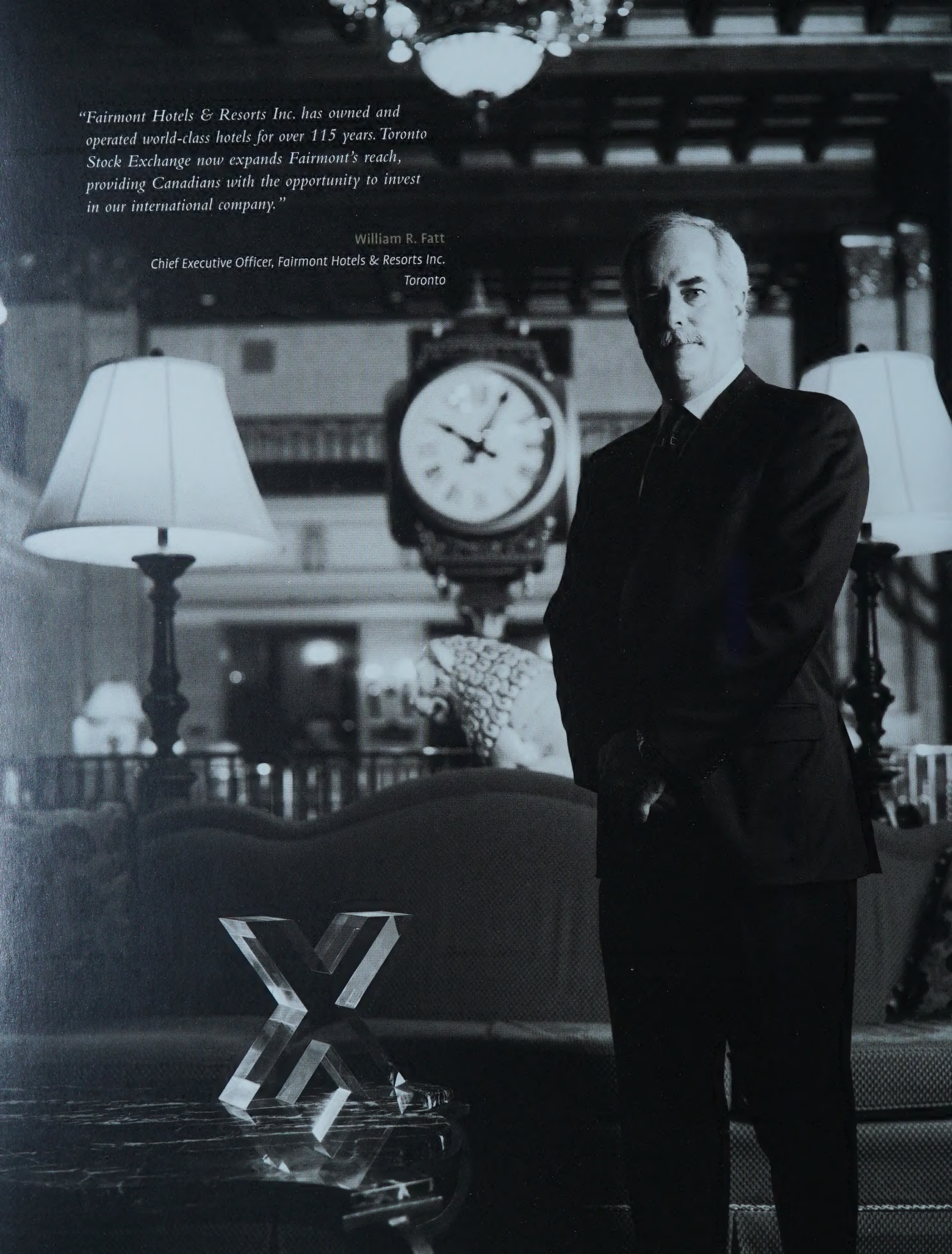
"In 1947, my father and grandfather created the industrial workforce housing business with $4,000. By 1967, their company had grown and evolved, and in that year ATCO undertook its first public offering of shares on Toronto Stock Exchange, raising $4,000,000. In 1980, ATCO repatriated Canadian Utilities Limited from the United States. ATCO, like Toronto Stock Exchange, is a Canadian enterprise committed to building value for our shareowners."

Nancy C. Southern
President and Chief Executive Officer, ATCO Group
Calgary



"At Fishery Products International we are better positioned for the future than ever before. We are investing in capital and in our people to build value for our shareholders, customers, and employees. Our listing on Toronto Stock Exchange increases our profile and our ability to raise capital. Since 1987, when FPI became a publicly traded company, Toronto Stock Exchange has been a strong partner in our corporate development."

Derrick H. Rowe
Chairman and Chief Executive Officer,
Fishery Products International
St. John's



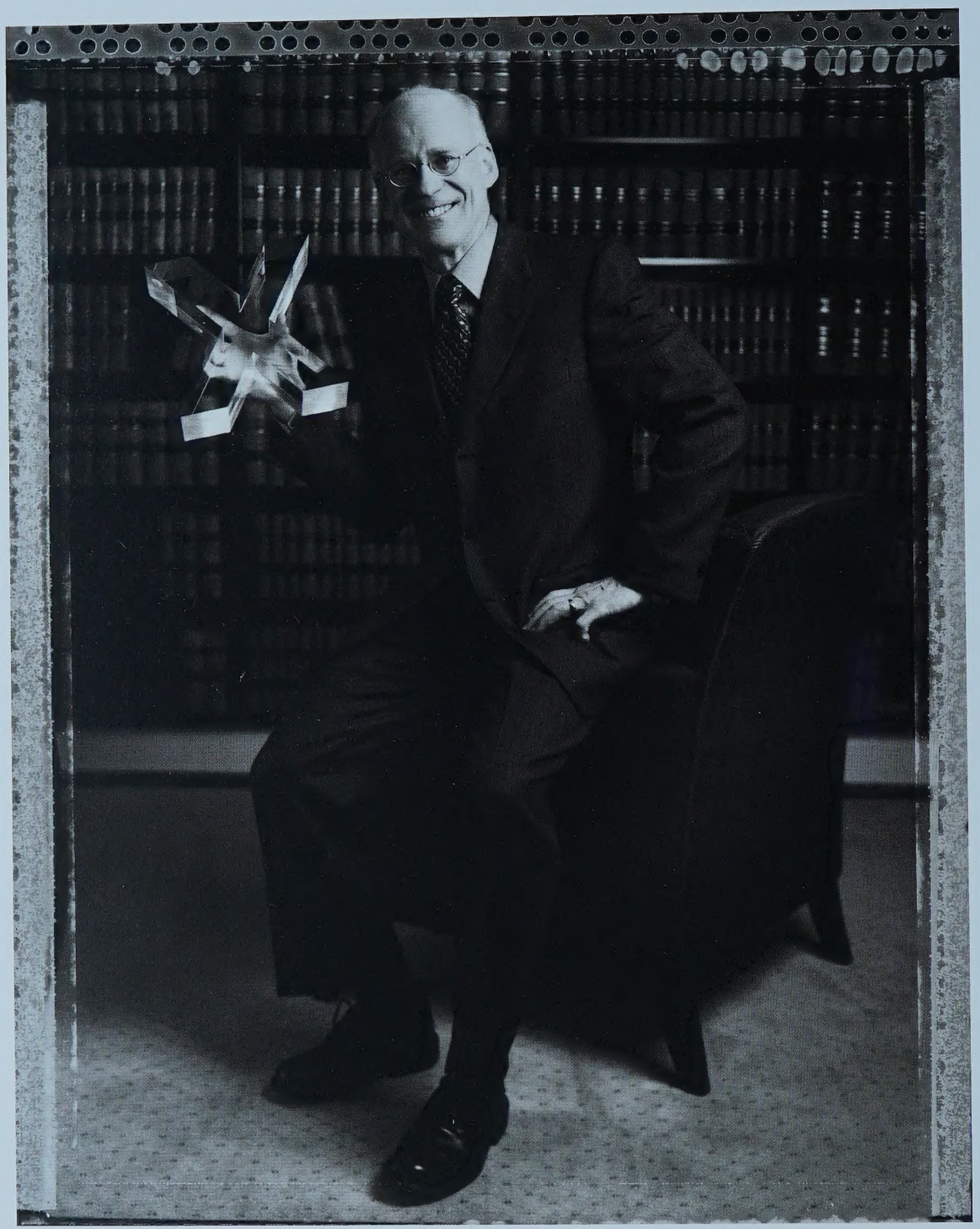
"Fairmont Hotels & Resorts Inc. has owned and operated world-class hotels for over 115 years. Toronto Stock Exchange now expands Fairmont's reach, providing Canadians with the opportunity to invest in our international company."

William R. Fatt
Chief Executive Officer, Fairmont Hotels & Resorts Inc.
Toronto



"With two national stock exchanges serving both the public venture and senior equity markets, TSX Group has supported VSM MedTech's maturation and provided continued access to capital, enabling the company to successfully execute its growth strategy."

Barry Allen
President and Chief Executive Officer, VSM MedTech Ltd.
Vancouver



"On the morning of April 8, 2002, we at EnCana celebrated a great moment when Barbara Stymiest and I joined up via video link to witness the first trading of Canada's largest ever energy company on Toronto Stock Exchange! Although we have shareholders from around the world, and operations in select international locations, Toronto Stock Exchange remains the cornerstone trading exchange for EnCana shareholders."

Gwyn Morgan
President and Chief Executive Officer, EnCana Corporation
Calgary



"Our business was built on innovation, so when it came time to go public, we wanted to be listed on a market that has built its reputation on just that. From technology and data products, to services that help us to meet our full potential as a public company, TSX Group leads the capital markets with a record of innovation."

Maurice Piché
President and Chief Executive Officer, Andromed Inc.
Montreal



"Investors Group benefits from the efficiency and liquidity of TSX Group in two ways: as one of Canada's largest investors and as a publicly listed issuer."

R. Jeffrey Orr
President and Chief Executive Officer, Investors Group, Inc.
Winnipeg



"Vincor's listing on Toronto Stock Exchange has provided a platform to increase the visibility of Vincor and Canadian wines in the global markets."

Donald L. Triggs
President and Chief Executive Officer, Vincor International Inc.
Mississauga

TSX Group Inc. Annual Report 2002

TSX Group is a cornerstone of the Canadian financial system and is at the centre of Canada's equity capital market. TSX Group owns and operates Canada's two national stock exchanges: Toronto Stock Exchange, serving the senior equity market, and TSX Venture Exchange, serving the public venture equity market. From its pre-eminent domestic base, TSX Group's reach extends internationally through TSX Markets and TSX Datalinx, which provide trading and data to the global financial community that accesses Canada's equity capital market.

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TSX Group Inc.

TSX Inc.

TSX group

TORONTO STOCK EXCHANGE

The senior equity market operated by TSX Inc.

The junior equity market operated by TSX Venture Exchange Inc.

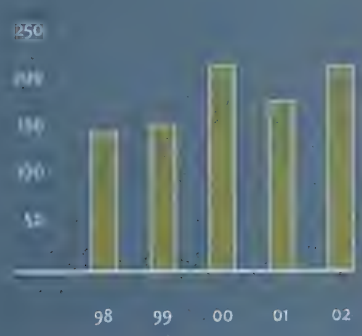
A division of TSX Inc. through which the trading activity of both exchanges is conducted.

A division of TSX Inc. through which the market data activity of both exchanges is conducted.

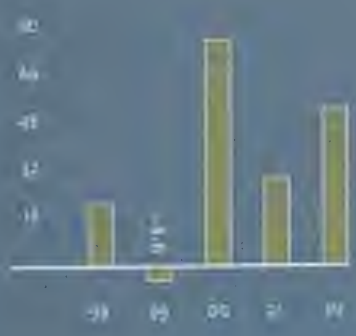
Revenue by Source in 2002



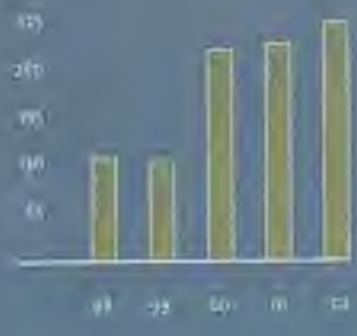
Financial Highlights*



TOTAL REVENUE
($ Million)



NET INCOME
($ Million)



SHAREHOLDERS' EQUITY
($ Million)

* Prior to April 3, 2000, TSX Group was organized and operated on a not-for-profit basis.
TSX Group refers to TSX Group Inc. and its consolidated subsidiaries.
TSX refers to TSX Inc., a wholly-owned subsidiary of TSX Group Inc.
TSX Venture Exchange refers to TSX Venture Exchange Inc., a wholly-owned subsidiary of TSX Inc.
"Toronto Stock Exchange" refers to "the Toronto Stock Exchange"



It has been my responsibility – and pleasure – to preside over the Board of Directors of TSX Group at a time that can only be described as historic.

It is no small achievement to take a company public. But for most companies, the path to a public listing is well travelled.

To take a stock exchange public in North America was to go where no exchange has gone before on this continent.

And to do so in 2002 was to take on risks and stresses unlike any seen by capital markets since the Great Depression as some of the American icons of the "New Economy" fell to scandal, spreading distrust far beyond U.S. markets to every corner of the globe.

With investor doubt rising and regulatory changes putting the rules of the game in question as never before, this perhaps was not the most propitious time for a new public company, particularly one in an industry not traditionally viewed as a business, even within the securities industry itself.

Yet, going public was a vital piece in the strategy of TSX Group to transform itself from a private company serving the brokerage industry into a publicly held company focused on creating shareholder value for a broad base of investors.

This is what drove us forward. This and a solid belief in a management team that, though largely new to TSX Group, possessed proven skills and deep experience.

This journey started in the late 1990s following the consolidation of the six exchanges in Canada into three: Toronto Stock Exchange for senior equities, and CDNX for junior equities, with the Bourse de Montréal concentrating exclusively on derivatives.

In 2000, we changed Toronto Stock Exchange from a non-profit company to a private, for-profit company, no small step in itself. Then, in 2001, we acquired TSX Venture Exchange, formerly CDNX. The last steps, taken in 2002, transformed us from a private company to a newly branded, public company, with all of the advantages that such status confers and all the discipline it imposes.

By any measure, that transformation was a success, especially given the forces battering capital markets in 2002.

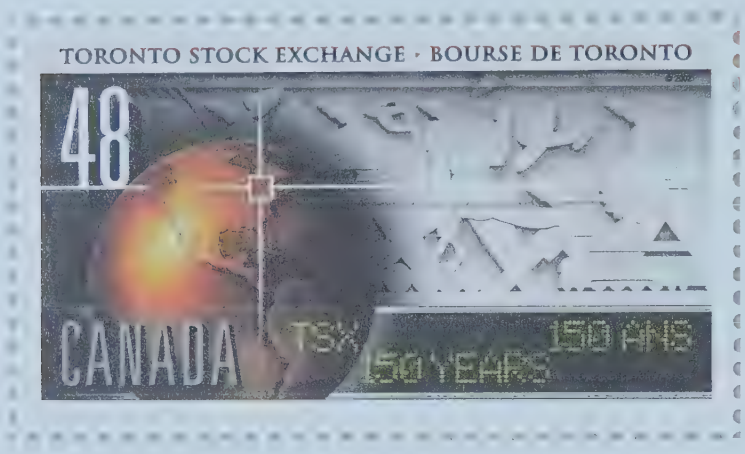
Thus, by way of introduction to the first annual report of TSX Group as a public company, I would like to thank the team that made the journey possible.

Under the leadership of Barbara Stymiest, Chief Executive Officer of TSX Group, senior management presided over the development of the strategy for listing TSX Group on its own exchange. They assembled legal, financial and other advisers – internal and external – who helped the company go into an offering that was, in the end, over-subscribed. And they worked tirelessly to pilot the project through regulators in multiple jurisdictions.

TSX Group established the Canadian Foundation for Investor Education (CFIE) in 2002 with a mandate to educate investors about Canada's capital market. CFIE launched two significant national educational programs in 2002: a semi-annual Symposium Series and a speakers series entitled "Exchanges".

CFIE also provides financial support to a variety of charitable and non-profit organizations that develop programs to increase understanding of Canada's capital market. In this respect, financial support has been provided to Carleton University for the creation of their trading lab and to Dalhousie University for an undergraduate research symposium on topics relating to international business.

Toronto Stock Exchange and Canada Post issued a special stamp in October 2002 to celebrate the 150th anniversary of Toronto Stock Exchange.



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There were others who helped senior management in this endeavour, of course. Many others.

Indeed, in greater or lesser measure, every employee of TSX Group played a part.

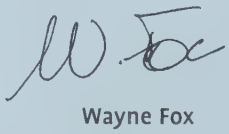
I say that because the process of going public consumed a significant amount of executive time as the project met unexpected and, at times, unprecedented problems. One by one, though, they were solved and we moved forward.

In consequence, a great deal had to be delegated and, in the delegation, there lay successes that in their own way were every bit as impressive as the offering itself.

As readers of this report will see, 2002 also exceeded our financial expectations in a year when disappointment was far more the norm. To achieve such results in such a year is a credit to every employee of TSX Group.

On behalf of the Board of Directors and on behalf of shareholders as well, may I convey thanks for these twin achievements – a successful IPO and a successful financial year – and my hope for similar success in the years ahead.

And last, but by no means least, I would like to thank my fellow directors, whose strong support and consistent guidance were vital ingredients in all of the successes of the year.



Wayne Fox
Chair, Board of Directors, TSX Group Inc.
February 25, 2003



This has been a signal year in the history of TSX Group.

In October, we concluded our first 150 years, a span that makes us one of Canada's oldest financial institutions – only two major banks are older.

In November, we were reborn as Canada's youngest publicly listed company, with a strong, new orientation toward the opportunities to grow in Canada and in global markets, especially in North American markets.

The report that follows represents, therefore, the bridge that links two distinct periods in our existence.

The long road leading to that bridge has been well mapped. What matters to our shareholders is the road that lies ahead, that leads from this bridge between two eras into a new kind of future for this company.

In this, my first letter to the public shareholders of our company, I would like to concentrate on the road ahead.

The key to the journey lies in the engine we have created to drive our future growth:

- our transformation from a mutually owned non-profit organization to a public company capable of quickly recognizing and responding to market forces;
- the complete renewal of our technology that has established us, once again, to be among the most reliable exchanges in the world and has demonstrated our leadership and strong expertise in technological and product innovation in the exchange industry;
- the acquisition of the former CDNX – now known as TSX Venture Exchange – to complete the restructuring and consolidation of the Canadian capital market which began earlier under our leadership, giving Canada one of the healthiest securities industry structures in the world;
- the technical and operational integration of the junior and senior exchanges, so that two distinct exchanges work together as a single, national trading system, capable of serving companies from emerging through to global player;
- the restructuring of the company to sharpen the focus on our existing and new business opportunities; and,
- the rebranding of the organization under a single, powerful marquee that is immediately recognizable in both Canadian and foreign markets and gives us the distinctiveness and visibility we need to grow in foreign markets.

Our strong growth in 2002, in what proved to be a year of difficult market conditions, was built on these fundamentals.



Leonard Petrillo, *Vice President, General Counsel & Secretary,* **Robert Pattillo,** *Vice President, Public Affairs, Research & Communications,* **Lorraine Coady,** *Vice President, Human Resources* **and Michael Ptasznik,** *Chief Financial Officer*

Going forward, our strategy is to use what we have built and the momentum we have already created as the basis for new growth. There are three areas of focus:

We are pre-eminent in the Canadian equity market. Our goal is to build on that pre-eminence by further expanding our product and service offerings so as to meet the distinct and changing needs of investors, issuers and intermediaries.

In 2002, for example, we offered a number of customized trading products to meet particular needs in the market and to compete more effectively. These included providing traders with the option of voluntary attribution, allowing them to enter orders anonymously as they could do on U.S. exchanges; a POSIT™ Canada call market, which allows traders to anonymously execute transactions; and Iceberg orders allowing them to disclose only a small portion of a larger order so as to reduce the potential market impact of large trades.



Rik Parkhill, *Senior Vice President, Trading*
and Richard Nesbitt, *President, TSX Markets*

Our new trading system and products such as these allowed us to reclaim a major share of the trading in Canadian companies that are interlisted between Canadian and U.S. markets. Based on value traded, in 2000, more than 50 percent of trading in the shares of these companies was done on U.S. exchanges. In 2002, more than 60 percent was done on Toronto Stock Exchange.

We have other initiatives planned to increase our share of interlisted trading even further. These initiatives include U.S. dollar trading, a high priority in light of the increased trading by Canadians that is done in U.S. funds.



Robert Fabes, *Vice President, Toronto Stock Exchange*
and Clare Gaudet, *Senior Vice President, Toronto Stock Exchange*

The acquisition and integration of TSX Venture Exchange into TSX Group allows us to foster new listings on both the senior and junior exchanges. Our goals are to simplify and customize the listing process for emerging companies, and to support young companies in their critical, early growth phase by providing new kinds of support, such as a new mentoring program. Our broader objective, by fostering listings on TSX Venture Exchange, is to increase the flow of graduates to Toronto Stock Exchange. With nearly 100 TSX Venture Exchange graduates joining Toronto Stock Exchange in the last three years, the importance of our tapping into the junior market as a source of growth is well demonstrated.

ION We recognize that our long-term growth depends on an increased presence in foreign markets, especially the U.S. market. As we have made clear, our strategy is to become a full participant in global capital markets. Internal growth built on a strong technology platform – putting us among the top three exchanges in the world in terms of liquidity, as measured by costs per trade on large transactions in the Deutsche Bank and Birinyi Associates, Inc. study completed last year – is vital to making us attractive in global markets.

With a secure and growing national base, we intend to pursue strategic alliances with other international exchanges to make it easier for Canadians to trade securities of issuers listed solely on a foreign exchange, and we will pursue acquisitions or investments in markets outside Canada to diversify beyond Canadian securities. Our primary focus in this regard will be in U.S. markets, but we will certainly not exclude Europe or markets elsewhere when opportunities arise that fit our objectives.



Kevan Cowan, *Senior Vice President, TSX Venture Exchange*
and Linda Hohol, *President, TSX Venture Exchange*

In diversifying globally, we also have the opportunity to increase our listings by leveraging our core strengths. Building on our global leadership in the mining industry is especially attractive. We already list more than 50 percent of the world's publicly traded mining companies on our two exchanges. In 2002, mining financings – driven by Canada's new diamond industry and rising gold prices – were two and a half times higher than the previous year. Twice as much mining equity capital was raised on Toronto Stock Exchange as on the next closest exchange, the New York Stock Exchange, in 2002. In the same period, TSX Venture Exchange on its own was the fifth largest exchange for mining equity capital in the world.

Our goal is to use our pre-eminence as a source of capital for this industry, leveraging off the pool of mining expertise in Canada, unmatched anywhere in the world, to identify opportunities and win listings for our two exchanges from non-Canadian companies.

There is, finally, one source of geographical diversification that was long neglected when Canada's junior exchanges were primarily local and concentrated in Western Canada. That source of diversification is Central and Eastern Canada. In 2002, as we were integrating our two exchanges, we established a Toronto Stock Exchange-TSX Venture Exchange office in Montreal for the first time. In the period ahead, our objective is to further extend our services to Central and Atlantic Canada so as to foster more listings in those areas of the country as well.

3. NEW BUSINESS OPPORTUNITIES Our technological strengths provide us with a number of new business opportunities. We have already begun to use those strengths to diversify our business.

Market data is already an important source of growth. In 2002, 26 percent of our revenue came from this source. But there are opportunities for additional growth, as publicly traded exchanges elsewhere in the world have demonstrated. To take advantage of them, we established the TSX Datalinx brand in 2002 to market our existing information products. TSX Datalinx is also mandated to expand the uses of corporate data collected through our relationships with issuers and to create new data products in standardized formats that will improve the data flow from source to data providers and end users.



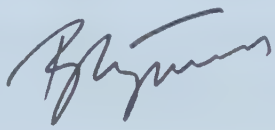
John Cieslak, *Senior Vice President, Information & Trading Technology & CIO,* **Harry McLean,** *Vice President, Operations* **and Brenda Hoffman,** *Vice President, Information & Trading Technology*

We have already diversified by expanding beyond equities into the fixed income market through our 40 percent share of CanDeal.ca Inc. (CanDeal), which owns and operates an electronic system for trading in institutional debt in Canada. This venture will allow us to earn fee income by providing technological services in support of CanDeal.

Our technological strengths represent a business opportunity in themselves. We intend to sell managed services and application services to other marketplaces through TSX Technologies, our technology solutions division. Smaller exchanges elsewhere in the world represent an attractive market for our technology and the expertise we have developed. We have already begun marketing to these exchanges at international forums in Asia and Europe.

These three growth areas – building on our core businesses, geographic diversification and exploiting new business opportunities – are the road ahead for us. The senior management and staff of TSX Group throughout the country have demonstrated, by their track record, their capacity to follow it.

I have every confidence that the era ahead will be as distinguished and as rewarding as the 150 years of achievement that lie behind us.



Barbara Stymiest
Chief Executive Officer, TSX Group Inc.
February 25, 2003

Year in 20

JANUARY 24 TSX Group establishes the non-profit Canadian Foundation for Investor Education (CFIE) **FEBRUARY 14** RBC Capital Markets chooses TSX Markets as the facility to print its crossed trades **MARCH 1** TSX Group spins out its market regulation into Market Regulation Services Inc. (RS Inc.), an independent, arms-length regulator of Canada's equity markets **MARCH 8** CFIE, in collaboration with the University of Toronto's Capital Markets Institute, holds symposium on securities regulation **MARCH 22** Toronto Stock Exchange adopts new Global Industry Classification System for its indices **MARCH 22** TSX Markets offers voluntary broker attribution for equities traded on Toronto Stock Exchange **APRIL 1** TSX Markets adopts RS Inc.'s Universal Market Integrity Rules (UMIR) **APRIL 1** TSX Venture Exchange revises its rules and trading policies to increase transparency, relevancy, and competitiveness **APRIL 4** www.tsx.com relaunched on a single platform, combining information from the former TSE and CDNX web sites **APRIL 5** TSX Markets launches POSIT™ Canada call market for Toronto Stock Exchange **APRIL 8** TSX Group unveils new brand and organization **APRIL 10** New Montreal office and national call centre opened **APRIL 12** TSX Markets launches Iceberg orders to minimize market impact of large orders on Toronto Stock Exchange **APRIL 16** Former CIBC Executive Vice President Linda Hohol appointed President of TSX Venture Exchange **MAY 1** S&P/TSX Composite Index™ (formerly TSE 300) overhauled to better position Canadian issuers and industries in global capital

markets **MAY 14** One-year anniversary of new TSX trading system, during which period there was not a second of downtime since moving to a new trading platform **JUNE 3** TSX Datalinx Daily Record end-of-day information goes electronic **JUNE 15** TSX Venture Exchange's Capital Pool Company™ (CPC™) program launched in Ontario **JUNE 21** Launch of TSX Datalinx as market data brand **JUNE 25** TSX Venture Exchange holds TSX Venture Exchange Company Showcase in Toronto **JULY 4** TSX Group Annual General Meeting **JULY 8** TSX Group purchases 40 percent stake in CanDeal.ca Inc., which operates an electronic communications network for the trading of debt securities **JULY 22** Formal proposal for J^2 junior market submitted to Alberta and BC securities regulators **JULY 26** TSX Markets enhances POSIT Canada call market with direct access connectivity **SEPTEMBER 12** TSX Group files preliminary prospectus for initial public offering **SEPTEMBER 18** Toronto Stock Exchange expands and enhances disclosure regime by proposing changes to its listing requirements **OCTOBER 10** Toronto Stock Exchange hosts Life Sciences and Biotech Focus in Toronto **OCTOBER 24** Toronto Stock Exchange unveils commemorative stamp with Canada Post to celebrate its 150th anniversary, and holds gala dinner **NOVEMBER 7** CFIE holds symposium on risk capital in Vancouver, in collaboration with the University of British Columbia **NOVEMBER 12** TSX Venture Exchange's CPC program launched in Quebec **NOVEMBER 12** TSX Group, under the ticker symbol "X", is the first North American exchange to become a publicly listed company.

02 Review

Statement of Corporate Governance Practices

Recognizing the leadership role that TSX Group Inc. ("the Company") has played and continues to play in shaping corporate governance practices in Canada, the Board and management of the Company continue to be committed to remaining at the forefront of good governance and to ensuring the highest standard of corporate governance. The Company's corporate governance policies are designed to support the Board in discharging its responsibilities and to enhance shareholder value. In the course of its transition over the past year to a publicly traded company, TSX Group Inc. has introduced important initiatives to enhance its corporate governance practices, and plans to take further steps to achieve continuous improvement in this area.

The Company's corporate governance system complies with the Guidelines for Improved Corporate Governance adopted by Toronto Stock Exchange (the "TSX Guidelines"). In addition, the Board is reviewing its corporate governance practices in response to recently proposed revisions to the TSX Guidelines (which had not been formally implemented as of December 31, 2002) and with respect to the United States *Sarbanes-Oxley Act of 2002* and the recent New York Stock Exchange corporate governance rule proposals.

The Board of Directors is responsible for overseeing the direction, affairs and management of the Company with the goal of enhancing long-term shareholder value. The Board discharges this responsibility, either directly or through committees, by selecting and holding accountable management, to whom the Board delegates operations and implementation. In this regard, the Board sets clear policies and direction to management on the limits to management's responsibilities and authority. Among its many specific duties, the Board selects the Chief Executive Officer and annually evaluates her against corporate objectives, established by the Board in conjunction with the CEO, and sets her compensation. It also approves strategic plans and corporate objectives that the CEO is responsible for meeting, provides advice and counsel to the CEO, oversees the ethical and legal conduct of the organization and reviews the financial performance and condition of the Company. The Board is also responsible for the adequacy and form of compensation paid to Directors.

At regularly scheduled meetings, members of the Board and senior management examine, review and discuss a broad range of issues relevant to the Company's strategy, business interests and growth initiatives. In addition, the Board receives timely and periodic reports from management on the Company's operational and economic performance. During fiscal 2002, the Board held 16 meetings reflecting a heavier than normal workload because of the Company's IPO. Director attendance at these meetings, either in person or by teleconference, exceeded 90 percent. In 2003, the Board anticipates holding 10 meetings. In addition, at every meeting, the Board convenes without management present to ensure it is able to discharge its responsibilities independently of management. In appropriate circumstances, a Director or a committee of the Board can retain an outside advisor with the approval of the Governance Committee.

The Board has an independent chair and knowledgeable, experienced and well informed Directors, a majority of whom are "unrelated" within the meaning of the TSX Guidelines (i.e., independent of management and free from any relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act with a view to the best interests of the Company). The Board's strength is also derived from the background, qualities, skills and experience of its members. The

Governance Committee recommends to the Board candidates suitable for nomination. Nominees are selected for qualities such as integrity, business judgment, independence, business, professional or board expertise, capital markets experience and international experience. As well, representation from geographic regions relevant to the Company's strategic priorities is taken into consideration.

New Directors are provided with orientation materials describing the business, strategy, objectives and initiatives of the Company. An enhanced ongoing education program and a Directors' Guide, focusing on roles and responsibilities of Board members, are being developed for Directors. Directors also have periodic one-on-one meetings with the CEO and key members of the senior management team. For the past three years, the Board has annually evaluated its performance and has attempted to address any issues that were raised in these evaluations. In 2003, the Board will also implement a program to evaluate the performance of its committees and of individual Directors through a self-assessment questionnaire and through formal one-on-one interviews with the Chair of the Board, based on the results of the questionnaires. In addition, the performance of the Chair and the Vice Chair of the Board will be evaluated by the Governance Committee.

The Board has timely access to staff and management and the information it needs to carry out its responsibilities. The Chair sets the agenda for Board meetings and Directors receive a comprehensive package of information prior to each Board and committee meeting. As well, after each committee meeting, the full Board receives a report on the committee's work.

The Board's Code of Business Conduct (the "Code") and related policies were recently reviewed and revised by the Board to comply with proposed amended listing requirements of Toronto Stock Exchange and set high standards for ethical behaviour for the Board. The Board monitors compliance with the Code and is responsible for considering waivers from compliance with the Code, if any. No waivers have been granted nor have there been any violations of the Code. A copy of the Code may be found in the Company's 2002 Management Proxy Circular and on the Company's web site at www.tsx.com.

The Company and the Board are committed to an open and proactive communications policy. In this regard, the investor relations staff provides information to current and potential investors and responds to their inquiries. Quarterly earnings conference calls are broadcast live and archived on the Company's web site and are accessible on a recorded basis via telephone to interested investors, the media and members of the public for a period of three months after each call. Presentations at investor conferences are promptly made available through the Company's web site or via telephone. The Company also makes material disclosure documents available through the Company's web site.

There are four standing committees of the Board that focus on specific areas of responsibility to effectively govern the Company: Finance and Audit Committee, Human Resources Committee, Governance Committee and Venture Market Committee. A majority of the members on each committee are unrelated and independent and the committees consist solely of non-management Directors. The Board believes the composition of its committees ensures they operate independently from management such that all shareholders' interests are appropriately protected. The Board also believes that the composition of the Finance and Audit Committee reflects a high level of financial literacy. Each Board committee has formal written terms of reference, established by the Board, which are reviewed at least annually and which may be found in the Company's 2002 Management Proxy Circular.

Recognizing the importance of risk management as an integral factor in business performance, the Company follows a comprehensive integrated risk management program which identifies, assesses and prioritizes key business risks considering both the likelihood and potential seriousness of the risk. Strategies to manage the identified risks are then developed. In addition, the Company has implemented a business continuity plan providing for the protection of personnel and resources and the continuity of critical business functions. The Company also has an internal audit function, reporting to the Finance and Audit Committee, which carries out independent assessments of the adequacy and effectiveness of internal controls and takes necessary corrective action.

For a full report on TSX Group Inc.'s corporate governance practices, please refer to the Company's 2002 Management Proxy Circular, which may be accessed through www.sedar.com or through the Company's web site at www.tsx.com. The Circular also contains the Company's corporate governance procedures compared with the TSX Guidelines, information respecting Directors, the terms of reference, composition, responsibilities and activities of the committees of the Board and the Code of Business Conduct for Directors, Officers and employees. All information respecting corporate governance practices set out in the Annual Report and in the 2002 Management Proxy Circular was adopted and approved by the Board of Directors.

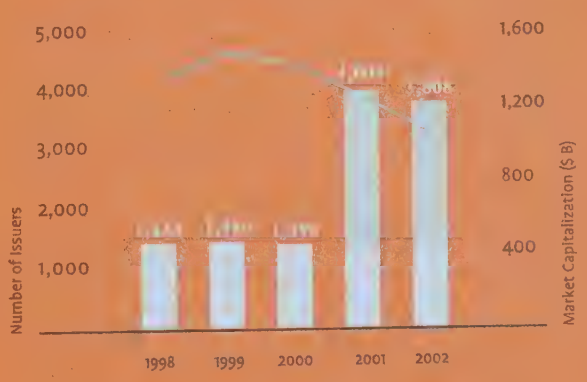
OVERVIEW OF THE BUSINESS

TSX Group is a cornerstone of the Canadian financial system and is at the centre of Canada's equity capital market. TSX Group owns and operates Canada's two national stock exchanges, Toronto Stock Exchange serving the senior equity market and TSX Venture Exchange (formerly CDNX) serving the public venture equity market. From its pre-eminent domestic base, TSX Group will continue to demonstrate Canadian leadership in global capital markets as it extends internationally, providing the global financial community with access to Canada's equity capital market.

The total market capitalization of the more than 3,800 issuers listed on TSX Group's exchanges at December 31, 2002 was almost $1.1 trillion, making the combined exchanges operated by TSX Group the third largest in North America and the eighth largest in the world. The total value of securities traded in 2002 on TSX Group's exchanges was $640.9 billion. This represents a 24% compounded annual growth rate as compared to the $76.2 billion traded in 1992.

In 2002, TSX Group itself became the first publicly listed exchange in North America, and earned net income of $53.8 million on revenue of $215.9 million. TSX Group derives its revenue primarily from three integrated activities – listings, trading, and data. Each of these activities is linked to the others in a manner that supports the growth of them all: new listings generate more trading and market data; increased trading creates greater liquidity and generates data; and more liquid markets attract new listings and participation by brokerage firms and investors.

The chart below shows the total number and market capitalization of issuers listed from December 31, 1997 to December 31, 2002 (with TSX Venture Exchange included from August 9, 2001).



NUMBER OF ISSUERS AND MARKET CAPITALIZATION AT YEAR END

Toronto Stock Exchange Issuers
TSX Venture Exchange Issuers
Combined Market Capitalization ($ B)

CORE BUSINESS OF TSX GROUP

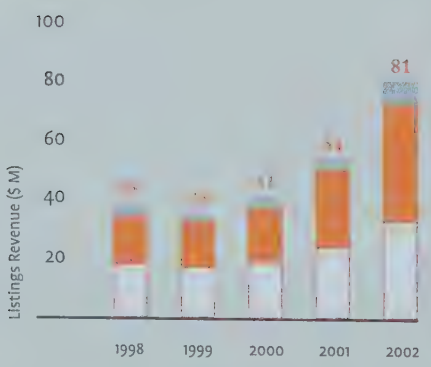
Listings – Toronto Stock Exchange and TSX Venture Exchange

TSX Group conducts its listings operations through Toronto Stock Exchange, its senior market, and TSX Venture Exchange, its junior market. At December 31, 2002, 1,304 issuers were listed on Toronto Stock Exchange with an aggregate market cap of $1,045.2 billion and 2,504 issuers were listed on TSX Venture Exchange with an aggregate market cap of $11.1 billion. In 2002 and 2001, fees paid by listed issuers on the two exchanges represented 37% and 30%, respectively, of TSX Group's revenue.

In general, issuers initially list on Toronto Stock Exchange either in connection with their initial public offerings ("IPOs"), or by graduating from TSX Venture Exchange. During 2002, 27 issuers graduated, representing 22% of the new listed issuers on Toronto Stock Exchange during this period. TSX Venture Exchange provides guidance to its issuers to facilitate their graduation to Toronto Stock Exchange in as seamless a manner as possible. Junior companies generally list on TSX Venture Exchange either in connection with their IPOs or through alternative methods such as the Exchange's Capital Pool Company™ (CPC™) program or reverse take-overs.

Issuers list a number of different types of securities including conventional securities such as common shares, preferred shares, rights and warrants, and new types of securities such as exchangeable shares, convertible debt instruments, trust units and limited partnership units. Increased sophistication of capital market participants has also resulted in an expanding variety of innovative equity-related products. Listing standards have been adapted to facilitate the listings of these securities, including exchange-traded funds, income trusts and Capital Pool companies.

Issuers that achieve a listing by meeting the minimum requirements of Toronto Stock Exchange or TSX Venture Exchange receive a range of benefits, including opportunities to efficiently access public equity capital, liquidity for existing investors and the prestige and market exposure associated with being listed on one of Canada's national exchanges.



LISTINGS REVENUE
($ Million)

Sustaining Fees
Additional Listings Fees
Initial Listings Fees

TSX Group generates revenues through its listing activities by charging issuers the following types of listing fees:

INITIAL LISTING FEES – Issuers listing their securities on one of TSX Group's exchanges for the first time pay TSX Group initial listing fees, based on the number of securities listed or the amount of financing undertaken by the issuer, subject to minimum and maximum fees. In 2002 and 2001, initial listing fees were approximately $8.0 million and $4.1 million, respectively.

SUSTAINING FEES – Issuers listed on one of TSX Group's exchanges pay TSX Group annual sustaining fees based on their market capitalization, subject to minimum and maximum fees. Sustaining fees provide a relatively stable, recurring revenue stream, increasing as market capitalizations of listed issuers grow. In 2002 and 2001, sustaining fees were approximately $32.7 million and $23.9 million, respectively.

ADDITIONAL LISTING FEES – Issuers listed on one of TSX Group's exchanges pay TSX Group additional listing fees in connection with capital market transactions, such as the raising of new capital through the sale of additional securities. These fees are calculated based on the number of additional securities listed, subject to minimum and maximum fees. The level of these fees varies with the level of annual financing activity undertaken by TSX Group's listed issuers. In 2002 and 2001, additional listing fees were approximately $39.8 million and $26.2 million, respectively.

Trading – TSX Markets

TSX Group's trading operations for both Toronto Stock Exchange and TSX Venture Exchange are conducted by TSX Markets. Brokerage firms, acting as principals or agents for retail and institutional investors, place orders through TSX Markets to buy or sell listed securities using its fully electronic trading systems. In 2002 and 2001, trading and related fees paid by brokerage firms represented 31% and 37%, respectively, of TSX Group's revenue.

Trading occurs through a continuous electronic auction market and also, in the case of Toronto Stock Exchange, through periodic call markets where orders are matched through TSX Markets' electronic trading system or through "upstairs trading" in which brokerage firms internally match orders and report them through the Exchanges. All trades are subsequently settled through The Canadian Depository for Securities Limited (CDS).

Brokerage firms pay fees to TSX Markets based on the value, volume and number of trades executed and reported on TSX Group's exchanges up to a fixed cap. TSX Markets offers discounts to brokerage firms that achieve certain minimum total monthly trading value on Toronto Stock Exchange to further encourage trading on that exchange. For trades of securities listed on TSX Venture Exchange, brokerage firms pay TSX Markets a percentage fee based on a combination of the value and volume of each trade, subject to minimum and maximum fee levels.



NUMBER OF TRANSACTIONS AND VALUE TRADED

Toronto Stock Exchange Transactions (Millions)
TSX Venture Exchange Transactions (Millions)
Combined Value Traded ($ B)

In 1997, Toronto Stock Exchange was the first major exchange in North America (and one of the first globally) to move from a traditional floor-based stock exchange to a fully-automated electronic exchange where trading takes place entirely through computer systems, thereby increasing the speed of execution, accessibility to the exchange and the number of transactions that can be processed. In May 2001, TSX Markets' original electronic trading systems were replaced with a more reliable, flexible and scalable system. As currently configured, the system is benchmarked to process up to 650,000 transactions per 6½ hour trading session, which is about 5.9 times TSX Group's 2002 average of approximately 111,000 transactions per day and 2.6 times TSX Group's March 2000 peak of approximately 250,000 transactions per day.

The Company believes that the reliability of its fully electronic trading system is among the best in the global securities exchange industry. TSX Group operates two data centres in separate locations, allowing for back-up recovery in the event that one of the centres experiences a failure.

The attractiveness and efficiency of trading on TSX Group's exchanges is evidenced by liquidity. Market participants regard liquidity as one of the most important attributes of an exchange. In a liquid market, securities can be bought and sold more efficiently, thereby reducing the cost of trading and the risk to the investor. TSX Group was ranked one of the world's premier markets in a major international study by Deutsche Bank and Birinyi Associates, Inc. Only stocks in France and those included in the Dow Jones Industrial Average had lower trading costs.

On December 1, 2001 regulatory changes were introduced that permitted the creation of alternative trading systems ("ATSs") as competing marketplaces. Part of TSX Markets' role is to provide the competitive response to ATS marketplaces and other exchanges as well as to continually implement new trading features and methodologies in meeting diverse customer requirements for trade execution. In 2002, TSX Markets introduced voluntary attribution (allows traders to anonymously execute transactions), the POSIT™ Canada call market (large orders may be entered anonymously outside the continuous market) and Iceberg orders (large size orders may be entered while disclosing only a small portion of the total order size at any time).

The financial performance of TSX Markets is affected when listed issuers seek additional listings on foreign exchanges. Interlistings generally raise the profile of issuers in the global market, and trading volumes for these issuers' securities often increase across all markets as well as on TSX Group's exchanges. Whether a significant portion of trading of a particular issuer remains in Canada following its interlisting depends on a number of factors, including the location of the issuer's shareholder base and the location of research analysts who cover the issuer.

The share of interlisted trading, based on value traded, increased from 55% in 2001 to 62% in 2002. Initiatives in 2003 and beyond are targeted to further increase Toronto Stock Exchange's share. Currently, TSX Markets is developing a market-on-close facility, which will allow market participants to enter orders during the trading session that will be executed only after the market closes. This type of facility is expected

to reduce the volatility that often occurs at the close of daily trading, providing a more effective method of price discovery. TSX Markets has also proposed restructuring the market making system with the goal of augmenting liquidity by increasing the amount of capital committed to TSX Group's markets. These proposals are subject to approval by securities regulators.

Market Data – TSX

Through TSX Datalinx, TSX Group sells its trading and quotation data (real-time and historical) to market participants on a global basis and receives licence fees for the use of its stock indices. Timely and comprehensive information about market activity and listed issuers assist brokerage firms and investors in the decision-making process and facilitate efficient markets. In 2002 and 2001, data fees represented 26% and 24%, respectively, of TSX Group's revenue.

REAL-TIME DATA

Trading activity on TSX Group's exchanges produces a stream of real-time data reflecting orders and executed transactions. This stream of data is packaged by TSX Datalinx into real-time market data products and delivered via more than 25 Canadian and global market data vendors that sell feeds and desktop information services to their own clients. These information services allow end users to view the real-time market activity of several exchanges and marketplaces, as well as provide supporting reference data, corporate actions and news. These services also enable the end user to transfer the data to applications that allow further manipulation and analysis.

Real-time products are delivered to market data vendors over the TSX Datalinx market data distribution platform, which was upgraded in 2001. The system offers a flexible and reliable environment over which TSX Datalinx distributes a wide range of feeds simultaneously to a large number of clients. Information delivered through the platform is not limited to real-time data. A new product, XL1, launched in May 2002, contains end-of-day index levels and constituents. The product was developed to address market data vendors' desire for more flexible delivery options.

Market data vendors are charged a fixed monthly access fee for each connection to TSX Datalinx. Subscribers generally pay fixed monthly rates, which differ depending on the size of the subscriber and the depth of information accessed. Some market data vendors offer individual investors access to real-time products and charge them on a per quote fee basis. Sales of real-time data represented over 95% of TSX Datalinx revenue in 2002 compared with over 90% in 2001.

HISTORICAL MARKET DATA AND CORPORATE INFORMATION

Historical market data products include market information (such as historical pricing, index constituents and weightings) and corporate information (such as dividends and corporate actions). This information is generally made available at the end of the trading day and is used in research, analysis and trade clearing. This is a competitive market in which a variety of small and large information providers compete. TSX Datalinx currently has a relatively basic corporate data product offering but considers this area an opportunity for future growth and development. TSX Group believes it is well positioned to compete in this market given its access to corporate information through its listings operations.

Historical data products are generally sold for a fixed amount per product accessed. Fees vary depending on the type of end use. Data products to be used for commercial purposes require an enterprise-wide licence for internal redistribution. TSX Datalinx produces two data publications for each exchange, a Daily Record, distributed electronically, and a Monthly Review, both of which are sold on a subscription basis.

INDEX PRODUCTS

TSX Datalinx has long supported indices to facilitate the measurement of equity market performance. The first Canadian indices were introduced by Toronto Stock Exchange in 1934 and were subsequently modified to reflect a substantial increase in listings. The Toronto 35 was introduced in 1987 and was the basis for the world's first exchange-traded fund, TIPS® (Toronto 35 Index Participation Units).

TSX Datalinx and Standard & Poor's, or S&P™, collaborated in 1998 to bring global recognition to the Canadian markets through the well-known S&P brand. Several new indices were introduced, including the S&P/TSX 60 Index (the large capitalization index for the Canadian equity market) and in 2002, the S&P/TSX Composite Index. The S&P/TSX Composite is, and its predecessor the TSE 300 Composite Index® was, the most quoted index for the Canadian equity marketplace, appearing with a high degree of frequency in business media and thereby strengthening brand awareness of TSX Group. As of May 1, 2002, following extensive consultation with marketplace players, there is no longer a requirement for the S&P/TSX Composite to have 300 constituents: company size and liquidity are the chief reasons for inclusion. As of December 31, 2002 there were 232 companies in the Index. In addition to changes to the Composite Index, nine new S&P/TSX Canadian Sector Indices were launched in 2002 to augment the four launched in 2000. TSX Datalinx and S&P regularly introduce new indices in response to changes in the equities marketplace, including recent introductions related to the public venture market and income trusts.

TSX Datalinx receives revenues through licence fees paid by organizations who create products, such as mutual funds and exchange-traded funds, that are based on the S&P/TSX indices. In general, these licence fees are based on a percentage of funds under management in respect of those products.

Business Services – TSX Technolog

Through the development and integration of its internal technology systems, TSX Group has gained extensive expertise in the area of exchange technology. Since 2001, TSX Group has developed and implemented an information technology plan to ensure the ongoing modernization and streamlining of the enterprise information technology infrastructure. The execution of the plan has included recruiting a seasoned team of exchange technology professionals with extensive industry experience in installing and operating trading and related systems at other global exchanges. The plan also included developing an application framework to facilitate building high performance, real-time, transactional order, and message processing and data distribution systems.

TSX Group currently has an agreement to provide to Market Regulation Services Inc. ("RS Inc.") technology and related services necessary to conduct its review and monitoring of trading. RS Inc. pays TSX Group fees for these services, determined on an arm's length basis in accordance with an agreement which also details service levels. TSX Group also has an agreement with CanDeal.ca Inc. ("CanDeal") to provide technological services in support of its electronic trading system for a fee.

REVIEW OF OPERATIONS – 2002 RESULTS

Reorganization

On November 12, 2002, TSX Inc. completed a reorganization under a court-approved plan of arrangement. As a result of this reorganization, TSX Group became the holding company for TSX Inc. and its operating subsidiaries and divisions. The financial information contained in this Management's Discussion and Analysis is the consolidated financial information of TSX Inc. prior to November 12, 2002, and has been presented as a continuity of interests of TSX Inc. from and after November 12, 2002. The reorganization would not have had a material effect on TSX Group's financial results if it had been implemented at the beginning of the applicable periods.

Year Ended December 31, 2002 Comp

For the year ended December 31, 2002, net income was $53.8 million on total revenue of $215.9 million, representing an increase of $23.6 million, or 78%, compared to $30.2 million for the year ended December 31, 2001. This increase was primarily due to the positive impact of the TSX Venture Exchange and the significant increase in Toronto Stock Exchange listing revenues as well as a write-down of $7.4 million in the future tax asset that occurred in the second quarter of 2001. In addition, 2002 includes revenue of $5.2 million related to under-reporting of usage of real-time quotes by a market data subscriber, from previous periods. Results of TSX Venture Exchange were consolidated since the acquisition on August 1, 2001.

Revenue

Revenue of $215.9 million in the year ended December 31, 2002 increased by $35.9 million, or 20%, from $180.0 million in the year ended December 31, 2001. This increase was primarily due to the consolidation of TSX Venture Exchange's results for the year ended December 31, 2002, the significant increase in Toronto Stock Exchange listing revenue and $5.2 million in additional revenue related to under-reporting of usage of real-time quotes by a market data subscriber from previous periods.

LISTING FEES – Listing fees of $80.5 million in the year ended December 31, 2002 increased by $26.3 million, or 49%, from $54.2 million in the year ended December 31, 2001. Of this increase, $10.9 million was attributable to revenues from TSX Venture Exchange, which were $15.7 million for the year ended December 31, 2002, compared to $4.8 million for the post-acquisition five months ended December 31, 2001.

The remaining $15.4 million increase, related to Toronto Stock Exchange, resulted from the combination of listing fee increases implemented in February 2002, in conjunction with new services and enhancements, increased additional financings, as well as from the listing of new income trusts and structured products. In the year ended December 31, 2002, the number of IPOs increased by 19 to 75 and the total value of financings increased by 23% to $25.8 billion, compared to the year ended December 31, 2001.

TRADING AND RELATED FEES – Trading and related fees of $67.7 million in the year ended December 31, 2002 increased by $1.8 million, or 3%, from $65.9 million in the year ended December 31, 2001. Toronto Stock Exchange trading and related fees of $62.2 million in the year ended December 31, 2002 declined by $1.0 million, or 2%, from $63.2 million in the year ended December 31, 2001. Total value of securities traded on Toronto Stock Exchange in the year ended December 31, 2002 was $637.7 billion, 10% below that of the year ended December 31, 2001, while the volume of shares traded of 46.4 billion increased by 25% and the number of transactions of 26.5 million increased by 1% over the same period. The addition of $5.5 million in TSX Venture Exchange trading fee revenue for the year ended December 31, 2002 as compared to $2.7 million for the post-acquisition five months ended December 31, 2001 resulted in an incremental $2.8 million in revenue, more than offsetting the decrease in trading and related fees from Toronto Stock Exchange.

MARKET DATA FEES – Market data fees of $55.5 million in the year ended December 31, 2002 increased by $12.1 million, or 28%, from $43.4 million in the year ended December 31, 2001. TSX Venture Exchange market data contributed $7.3 million to the increase as 2002 revenue was $13.1 million compared to $5.8 million in the post-acquisition five months ended December 31, 2001. Toronto Stock Exchange market data revenue of $37.1 million in the year ended December 31, 2002 declined $0.6 million, or 2%, from $37.7 million in the year ended December 31, 2001, reflecting a lower number of terminal subscriptions in both the United States and Canada, which was driven by staff reductions in brokerage firms and partly offset by an increase in the pricing of real-time data implemented in August 2002.

In addition to the changes above, in the third quarter of 2002, it was determined that a market data subscriber had under-reported its usage of real-time quotes over the period from July 2000 to June 2002 resulting in additional market data revenue of $5.2 million. This recovery relates strictly to historical activity and is not indicative of future market data revenues from this subscriber as the subscriber has the opportunity to alter the manner in which it receives this data from TSX Group to reduce its future costs.

MARKET REGULATION FEES – Market regulation fees of $2.3 million in the year ended December 31, 2002 decreased by $11.8 million, or 84%, from $14.1 million in the year ended December 31, 2001. TSX Group no longer directly performs this function, and RS Inc. was retained on March 1, 2002 to provide it on TSX Group's behalf; therefore, there was no further revenue from this source for the balance of 2002.

BUSINESS SERVICES – The $8.0 million in business services revenue in the year ended December 31, 2002 represents revenue earned for the technology support services provided to RS Inc. and CanDeal by TSX Group beginning in the first and fourth quarters, respectively, of 2002.

OTHER – Other revenue of $2.0 million in the year ended December 31, 2002 decreased by $0.4 million, or 17%, from $2.4 million in the year ended December 31, 2001 due to lower sponsorship revenue.

Expenses

Expenses of $139.4 million in the year ended December 31, 2002 increased by $12.3 million, or 10%, from $127.1 million in the year ended December 31, 2001. This increase was primarily due to the inclusion of the operations of TSX Venture Exchange for the full year ended December 31, 2002 as compared to five months post acquisition from August 1, 2001.

COMPENSATION AND BENEFITS – Compensation and benefits of $65.3 million in the year ended December 31, 2002 increased $0.8 million, or 1%, from $64.5 million in the year ended December 31, 2001. The average number of employees throughout 2002 was approximately equal to the average in 2001, and the total number of employees was 535 at December 31, 2002.

INFORMATION AND TRADING SYSTEMS – Information and trading systems costs of $20.3 million in the year ended December 31, 2002 decreased by $0.9 million, or 4%, from $21.2 million in the year ended December 31, 2001. The decrease was primarily due to savings resulting from integration of TSX Venture Exchange and Toronto Stock Exchange trading systems, as well as from additional operational efficiencies which continue to be realized.

GENERAL AND ADMINISTRATION – General and administration costs of $39.3 million in the year ended December 31, 2002 increased by $9.0 million, or 30%, from $30.3 million in the year ended December 31, 2001 due to the addition of an office in Montreal, the assumption of TSX Venture Exchange premises in Vancouver, Calgary and Winnipeg, a $2.6 million lease provision due to the contraction of office space in Toronto and Vancouver and expenses incurred in connection with converting to the new TSX brand. In addition, in the first quarter of 2002, TSX Group retained RS Inc. to provide certain services to Toronto Stock Exchange and TSX Venture Exchange, whereas previously these services had been performed directly by TSX Group employees.

AMORTIZATION – Amortization of $14.4 million for the year ended December 31, 2002 increased by $3.3 million, compared to $11.1 million for the year ended December 31, 2001, primarily due to $3.0 million of amortization of the intangible assets acquired as part of the TSX Venture Exchange acquisition. In addition, there was a $1.5 million write-down of leasehold improvements relating to the contraction of office space in Toronto and renovation of Stock Market Place, which was largely offset by the impact of a lower overall capital asset base at the end of 2002.

LOSS FROM INVESTMENT IN AFFILIATE

Loss from investment in affiliate of $0.6 million represents TSX Group's approximate 40% share of CanDeal's loss from July 8, 2002 until December 31, 2002.

INVESTMENT INCOME

Investment income of $13.9 million in the year ended December 31, 2002, increased by $1.5 million, or 12%, from $12.4 million in the year ended December 31, 2001 primarily due to a $1.2 million capital gain realized in the second quarter as a result of the transition of the portfolio from bonds to pooled funds.

INCOME TAXES

Income taxes were $36.0 million in the year ended December 31, 2002, compared to $35.1 million in the year ended December 31, 2001. The effective tax rate declined from approximately 54% in 2001 to approximately 40% in 2002 primarily due to a $7.4 million decrease in the future tax asset in 2001, which resulted from a decline in future tax rates in Ontario.

FINANCIAL CONDITION

Total cash and marketable securities were $235.0 million at December 31, 2002. A special dividend of $20.0 million was declared on March 26, 2002 and was paid on April 30, 2002, and $15.0 million, excluding closing costs, was paid on July 8, 2002 for an approximate 40% interest in CanDeal.

The payment of dividends to TSX Group by its subsidiaries is regulated under corporate and securities laws. In particular, the recognition order of TSX Group Inc. and TSX Inc. provides that, if certain financial viability tests are not met for a period of more than three consecutive months, dividends cannot be paid by TSX Inc. until six months after rectification.

TSX Group has committed to guarantee indebtedness of RS Inc. to outside lenders in an amount not to exceed $3.3 million. As of December 31, 2002, RS Inc. had no debt outstanding.

Cash Flow from Operations

Cash flow from operations was $81.2 million for the year ended December 31, 2002. The primary contributors to cash flow in this period were $68.2 million in net income excluding amortization. Accounts receivable and prepaid expenses at December 31, 2002 decreased by $6.3 million from December 31, 2001. In the fourth quarter of 2001, TSX Group paid certain costs on behalf of Participating Organizations relating to telecommunication services, which were subsequently reimbursed. These costs were not paid by TSX Group in the fourth quarter of 2002; therefore, there was no receivable relating to recovering these costs. Accounts payable and accrued liabilities at December 31, 2002 declined by $5.0 million from December 31, 2001 as severance liabilities related to the acquisition of TSX Venture Exchange and employee incentives were paid. The increase in accounts receivable and decrease in accounts payable was partly offset by a $11.4 million increase in the income tax payable liability.

Business Acq

In accordance with its strategy of seeking growth opportunities through diversification into related markets in which it has competitive advantages and can capitalize on its core strengths, TSX Group made the following investments:

On August 1, 2001, TSX Group acquired TSX Venture Exchange thereby becoming the sole operator of the senior and junior equity stock exchanges in Canada. The purchase price was $50.0 million in cash plus closing costs of $1.8 million, and TSX Venture Exchange incurred a one-time restructuring charge of $15.2 million relating to employee terminations, the disposition of assets and recognition of lease commitments. In connection with the acquisition, TSX Group recorded $32.9 million in goodwill and intangible assets. The $26.9 million intangible asset represents the purchase value of the listed issuer base and is amortized at 7.3% per year on a declining balance basis.

On July 8, 2002, TSX Group paid $15.0 million, excluding closing costs, to acquire an approximate 40% equity interest in CanDeal, which owns an electronic trading system for the institutional debt market. As part of the investment, TSX Group and CanDeal entered into an agreement under which TSX Group provides technological services in support of CanDeal's electronic trading system for a fee. The other shareholders of CanDeal include its founders, Canada's six largest investment dealers who represent the majority of the institutional debt trading market in Canada, and two technology partners. CanDeal offers an institutional dealer-to-client electronic trading system which is intended to provide benefits such as administration and trading cost savings, timely trade execution and transparency. CanDeal completed its first transaction on September 10, 2002.

Capital and Other Asset Expendit

TSX Group's capital expenditures are related to certain technology components that are not leased, leasehold improvements and furniture and fixtures. Capital expenditures net of disposals for the year ended December 31, 2002 were $7.9 million, compared to $7.8 million in 2001.

As a result of TSX Group's initial public offering, share capital increased by $373.2 million, representing net proceeds from the sale of 21.8 million shares. Net proceeds were used by TSX Group's subsidiary to purchase shares from selling shareholders. This resulted in a reduction in share capital of $5.2 million which was the original capital of selling shareholders, and a reduction in retained earnings of $368.0 million. This latter reduction resulted in a deficit at December 31, 2002 compared with retained earnings of $294.2 million at December 31, 2001.

STRATEGY AND OUTLOOK

TSX Group believes its principal strengths are its:

- pre-eminent position in the domestic market, operating the national equity exchanges in Canada;
- leadership and demonstrated expertise in introducing technological and product innovations in the exchange industry globally; and
- international reputation for operating exchanges independently and with integrity.

The Company's corporate objective is to achieve profitable growth and to maximize shareholder returns by capitalizing on these strengths and pursuing the principal strategies described below, organically and through new acquisitions, strategic alliances and investments.

To maintain its pre-eminent position in the Canadian equity capital market, TSX Group intends to further expand its product and service offerings with a focus on the customer, addressing the changing needs of issuers, intermediaries and investors.

- TSX Group plans to augment liquidity in its markets by developing and offering new customized trading products and services that meet the distinct needs of all segments of investors and intermediaries. TSX Group will be introducing initiatives such as market-on-close, specialty priced crosses and a revamp of the market making system as part of its ongoing efforts to bring more liquidity and efficiency to the marketplace.
- TSX Group will increasingly foster new listings on both of its exchanges. By acquiring TSX Venture Exchange, TSX Group improved its ability to actively facilitate the graduation of issuers from TSX Venture Exchange to Toronto Stock Exchange, which is an important source of new listings for the senior exchange. In addition, Toronto Stock Exchange will encourage the listing of high quality issuers and innovative securities through further enhancements to its listing standards. Recent enhancements include customized standards for knowledge-based and exploration businesses, as well as for exchange-traded funds and income trusts. TSX Venture Exchange will increasingly foster new listings through tailored initiatives, such as its CPC program and proposed microcap market, and assist existing issuers through mentoring programs.

- TSX Group intends to more effectively exploit the value of its market data services by using its technology platform to create and distribute data products which are customized to meet customers' specific needs.

Geographic Expansion

TSX Group will seek to expand geographically.

- TSX Group is exploring further initiatives designed to capture an increasing proportion of trading in securities of TSX Group's listed issuers that are interlisted on other markets, particularly those in the United States. TSX Group also intends to facilitate foreign access to its exchanges to encourage increased trading of issuers listed only on TSX Group's exchanges. TSX Group supports initiatives that would allow trading on international markets while complying only with internationally recognized local standards, eliminating the need to list in every market in which companies choose to raise capital. TSX Group will pursue strategic alliances with other international exchanges to make it easier for Canadians to trade securities of issuers listed solely on a foreign exchange. As well, TSX Group will pursue acquisitions of, or investments in, marketplaces outside Canada to diversify its activities beyond Canadian securities.
- TSX Group will also seek to attract additional listings of global mining and other natural resource companies by capitalizing on its international reputation of having a leading marketplace for those companies. Today, over 50% of the world's publicly traded mining companies are listed on TSX Group's exchanges.
- TSX Venture Exchange will pursue growth in Central and Eastern Canada, where public venture capital markets are less developed than in Western Canada.

Diversification into New Bus

TSX Group will also seek growth opportunities through diversification into related markets in which it has competitive advantages and can capitalize on its strengths.

- TSX Group plans to apply its expertise in developing and operating independent electronic marketplaces in a regulated environment that reach beyond its current equity securities business into other types of securities and other marketplaces. For example, TSX Group acquired an approximate 40% interest in CanDeal, which owns an electronic trading system for the institutional debt market in Canada, and TSX Group will provide technological services in support of the CanDeal trading system for a fee.
- TSX Group plans to use corporate data collected through its relationships with listed issuers to create and distribute new corporate data products in standardized formats that will improve the data flow from source to end users.
- TSX Group intends to offer outsourcing and technology services to other marketplaces and their participants, including, for example, the CanDeal debt market. It will offer these services by drawing on TSX Group's existing infrastructure and resources and, in particular, its staff's expertise in market-related technology.

RISKS AND UNCERTAINTIES

This annual report includes forward-looking statements, which are not historical facts but are based on certain assumptions and reflect TSX Group's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of the factors that could cause actual results to differ materially from current expectations are those set out below. Additional factors are discussed in TSX Group's materials, including its Annual Information Form, filed with the securities regulatory authorities in Canada from time to time. TSX Group disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

TSX Group depends on market activity that is outside of its control. TSX Group's revenues are highly dependent upon the level of activity on TSX Group's exchanges, including the number of transactions, volume and value of securities traded, the number and market capitalization of listed issuers, the number of new listings, the number of active traders and brokerage firms in the market, the number of subscribers to market data and similar variables.

TSX Group faces competition from other securities exchanges as well as from ATSs, or electronic communication networks (ECNs). This competition may intensify in the near future, especially as technological advances create pressure to develop more efficient and less costly trading in global and/or regional markets.

TSX Group may enter new business activities that could have an adverse effect on TSX Group's existing profitability. For example, alliances with other exchanges could adversely affect trading activity on TSX Group's exchanges. While TSX Group would expect to realize new revenue from these new activities, there is a risk that any such new revenue would not be greater than costs associated with the new activities or any related decline in existing revenue sources.

During 2002, approximately 67% of TSX Group's trading revenues on Toronto Stock Exchange and approximately 69% of TSX Group's trading revenues on TSX Venture Exchange were accounted for by the top 10 firms on each exchange. A significant reduction in the patronage or the loss of any one of these brokerage firms or data vendors or consolidation among brokerage firms could have a material adverse effect on TSX Group's business, financial condition or operating results.

If TSX Group's exchanges determine that an inadequate number of brokerage firms are able to access the markets for any reason and there is not a fair market, the markets will be shut down.

TSX Group's systems and operations are vulnerable to damage or interruption from human error, natural disasters, power loss, sabotage or terrorism, computer viruses, intentional acts of vandalism and similar events. TSX Group has active programs in place to identify and minimize its exposure to these vulnerabilities.

TSX Group depends on a number of suppliers, such as CDS, RS Inc., data processors, software and hardware suppliers, telecommunication businesses and suppliers of electricity for elements of its trading, data and other systems, as well as communications and networking equipment, computer hardware and software related support and maintenance.

Technology

TSX Group is extremely dependent on its information technology systems, including data and communications systems ("IT Operations"). TSX Group's trading is conducted exclusively on an electronic basis. While TSX Group has developed and planned various measures, disaster recovery and contingency plans and back-up procedures to manage, mitigate and minimize the risk of an interruption or failure to its IT Operations and to ensure their integrity, there is always the risk that those measures, plans and procedures are not adequate and therefore the risk of a system failure or interruption cannot be eliminated.

Regulatory Environm

The Company and its exchanges are subject to the oversight of certain of the provincial securities regulators and their future operations may be subject to regulation in other jurisdictions. Securities regulation may impose barriers or constraints limiting TSX Group's ability to build an efficient, competitive organization and also may limit TSX Group's strategies for expanding foreign and global access and utilization. In addition, securities regulators impose financial and corporate governance restrictions on TSX Group. TSX Group's exchanges' listing standards, trading rules and features, and operations of its systems, or changes to them, are subject to oversight or approval of certain of the provincial securities regulators and compliance with mandated procedures, which may entail additional costs to TSX Group and impact timing of implementation.

Management Statement

Management is responsible for the preparation, integrity and fair presentation of the financial statements, management's discussion and analysis, and other information in this annual report. The financial statements were prepared in accordance with Canadian generally accepted accounting principles and, in the opinion of management, fairly reflect the financial position, results of operations and changes in the financial position of TSX Group Inc.

Acting through the Finance and Audit Committee, the Board of Directors oversees management's responsibility for financial reporting and internal control systems. The Finance and Audit Committee is responsible for reviewing the financial statements and management's discussion and analysis and recommending them to the Board of Directors for approval. To discharge its duties the Committee meets with management and external auditors to discuss audit plans, internal controls over accounting and financial reporting processes, auditing matters and financial reporting issues.

As the external auditors appointed by the shareholders, KPMG LLP are responsible for reporting to shareholders on the fairness of TSX Group Inc.'s presentation of the annual financial statements. The external auditors have full and free access to, and meet periodically with, management and the Finance and Audit Committee to discuss the audit.



Barbara Stymiest
Chief Executive Officer
January 24, 2003



Michael Ptasznik
Chief Financial Officer
January 24, 2003

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of TSX Group Inc. as at December 31, 2002 and 2001 and the consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Toronto, Canada
January 24, 2003

Consolidated Balance Sheets

All amounts expressed in Canadian dollars

December 31, 2002 and 2001 (in thousands of dollars)	2002	2001
ASSETS		
Current assets:		
Cash	$ 8,316	$ 9,610
Investments and marketable securities (note 4)	226,698	191,526
Accounts receivable	13,931	19,628
Prepaid expenses	2,088	2,649
Future tax asset (note 16)	6,516	10,842
	257,549	234,255
Premises and equipment (note 5)	33,565	38,070
Future tax asset (note 16)	43,824	41,154
Other assets (note 6)	5,879	5,704
Investment in affiliate (note 8)	14,524	–
Intangible asset (notes 3 and 9)	24,933	26,900
Goodwill (notes 3 and 9)	5,963	5,963
	$ 386,237	$ 352,046
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 33,330	$ 39,346
Deferred revenue	165	181
Current portion of obligation under capital lease (note 10)	251	218
Income taxes payable	12,759	2,970
	46,505	42,715
Accrued benefit liability (note 7)	5,848	4,790
Obligation under capital lease (note 10)	1,565	1,816
Deferred sponsorships	365	510
Shareholders' equity:		
Share capital (note 11)	372,004	7,980
Retained earnings (deficit) (note 11)	(40,050)	294,235
	331,954	302,215
Commitments and contingent liability (notes 10, 17 and 19)		
	$ 386,237	$ 352,046

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Wayne Fox
Chair

J. Spencer Lanthier
Vice Chair

Consolidated Statements of Income

Years ended December 31, 2002 and 2001 (In thousands of dollars, except per share amounts)	2002	2001
Revenue:		
Listing fees	$ 80,504	$ 54,185
Trading and related fees	67,650	65,882
Market data fees	55,457	43,447
Market regulation fees (note 17)	2,337	14,078
Business services	7,962	–
Other	1,975	2,360
	215,885	179,952
Expenses:		
Compensation and benefits	65,295	64,472
Information and trading systems	20,327	21,233
General and administration	39,339	30,295
Amortization	14,420	11,119
	139,381	127,119
Income from operations	76,504	52,833
Loss from investment in affiliate	(602)	–
Investment income	13,897	12,434
Income before income taxes	89,799	65,267
Income taxes (note 16)	36,037	35,114
Net income	$ 53,762	$ 30,153
Earnings per share (33,750,091 shares outstanding) (note 15)	$ 1.59	$ 0.89

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

Years ended December 31, 2002 and 2001 (in thousands of dollars)	2002	2001
Common shares (note 11):		
Balance, beginning of year	$ 7,980	$ 7,980
Transfer to choice shares	(5,160)	–
Issued in initial public offering	373,207	–
Issue costs	(5,986)	–
Establishment of future tax asset relating to issue costs	1,963	–
Balance, end of year	372,004	7,980
Choice shares:		
Transfer from common shares	5,160	–
Issue costs allocated to choice shares	(2,400)	–
Purchase of choice shares	(2,760)	–
	–	–
Retained earnings (deficit):		
Balance, beginning of year	294,235	285,841
Net income	53,762	30,153
Dividends on common shares	(20,000)	(21,759)
Premium on purchase of choice shares	(368,047)	–
Balance, end of year	(40,050)	294,235
Shareholders' equity, end of year	$ 331,954	$ 302,215

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended December 31, 2002 and 2001 (in thousands of dollars)	2002	2001
Cash flows from (used in) operating activities:		
Net income	$ 53,762	$ 30,153
Adjustments to determine net cash flows:		
Amortization	14,420	11,119
Loss from investment in affiliate	602	–
Decrease in accounts receivable and prepaid expenses	6,258	3,694
Decrease (increase) in other assets	(175)	1,813
Decrease in accounts payable and accrued liabilities	(4,958)	(12,726)
Decrease in deferred revenue	(16)	(2,349)
Loss on disposal of equipment	–	2,287
Increase in income taxes payable	11,445	4,947
Decrease in deferred sponsorships	(145)	(718)
	81,193	38,220
Cash flows from (used in) financing activities:		
Reduction in obligation under capital lease	(218)	(189)
Net proceeds from initial public offering of common shares	373,207	–
Costs associated with initial public offering	(4,023)	–
Purchase of choice shares	(370,807)	–
Issue costs allocated to choice shares	(2,400)	–
Common share dividends	(20,000)	(21,759)
	(24,241)	(21,948)
Cash flows from (used in) investing activities:		
Additions to premises and equipment	(8,277)	(7,825)
Proceeds on disposal of equipment	329	–
Investment in affiliate	(15,126)	–
Acquisition of TSX Venture Exchange Inc. (formerly CDNX)	–	(48,568)
Decrease (increase) in marketable securities	(35,172)	45,231
	(58,246)	(11,162)
Increase (decrease) in cash	(1,294)	5,110
Cash, beginning of year	9,610	4,500
Cash, end of year	$ 8,316	$ 9,610
Supplemental cash flow information:		
Interest paid	$ 275	$ 304
Interest received	9,325	10,142
Income taxes paid	23,202	30,182

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended December 31, 2002 and 2001 (In thousands of dollars)

As a result of legislation passed by the Ontario Legislature on December 14, 1999, The Toronto Stock Exchange ("The TSE") continued from a not-for-profit corporation to a for-profit taxable business corporation effective April 3, 2000 under the name The Toronto Stock Exchange Inc./Bourse de Toronto Inc. ("TSE Inc.").

On July 9, 2002, the shareholders of TSE Inc. adopted a special resolution authorizing a change of the name of TSE Inc. to "TSX Inc." and articles of amendment were filed on July 10, 2002 to effect the change of name. On November 12, 2002, TSX Inc. completed a corporate reorganization under a court-approved plan of arrangement. As part of the reorganization, TSX Group Inc. (the "Company") incorporated under the Business Corporations Act (Ontario), acquired all the outstanding shares of TSX Inc. and became the holding company for the TSX group of companies which includes TSX Inc. The shareholders of TSX Inc. became shareholders of the Company.

These consolidated financial statements have been presented as a continuity of interests of TSX Inc. Comparative balances and disclosures presented are the balances and disclosures of TSX Inc.

1. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements include the accounts of the Company's wholly owned subsidiary, TSX Inc. and TSX Inc.'s wholly owned subsidiary, TSX Venture Exchange Inc. (formerly "Canadian Venture Exchange Inc." or "CDNX"). Significant intercompany balances and transactions have been eliminated upon consolidation.

(b) Investments:

The investment portfolio includes pooled fund investments and debt securities.

Pooled funds are managed by an external investment fund manager and are carried at market value. Market values for securities held by the pooled funds are determined by reference to quoted market prices. To the extent that the value of the underlying assets in the pooled funds change, the value of the units will change. There is no contractual maturity date for the investment in pooled funds.

Debt securities are investments where the Company's intention is to hold these securities to maturity or until market conditions rendered alternative investments more attractive. These debt securities are carried at amortized cost and the amortization of premiums and discounts is included in income from investments over the period to maturity.

The Company's investment in an affiliate, which is subject to significant influence, is accounted for using the equity method of accounting.

(c) Amortization:

Amortization is provided over the following useful lives of the assets:

Asset	Basis	Rate
Premises under capital lease	Straight line	25 years
Computers and electronic trading equipment	Straight line	3–5 years
Furniture, fixtures and other equipment	Straight line	5 years
Leasehold improvements	Straight line	Over terms of various leases to a maximum of 22 years
Intangible asset comprising listed issuer base	Declining balance	7.3%

(d) Revenue recognition:

Revenue from fees for goods and services is recognized when the services are provided or the goods are sold. Investment income on pooled funds is recognized in the period it is earned or when there is a change in the market value. Realized and unrealized gains or losses on investments are recorded in the period in which they occur.

Trading and related fees are recorded and recognized as revenue in the month in which the trades are executed.

Listing fees represent revenue derived primarily from recurring annual sustaining fees and transaction-based fees for new and additional listings. Sustaining fees are billed during the first quarter of the year and the amount is recorded as deferred revenue and amortized over the year on a straight-line basis. New and additional listing fees are recognized as revenue in the period when the listing transaction occurs.

Real-time market data revenue is recognized based on usage as reported by customers and vendors. The Company conducts periodic audits of the information provided. Other Market Data fees, Business Services and Market Regulation fees are recorded and recognized as revenue in the month in which the services are provided.

The Company receives sponsorships in cash and in kind, the latter being generally in the form of goods and services. Sponsorships restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets. Restricted sponsorships are recognized as revenue in the period in which the related expenses are recognized. Unrestricted sponsorships are recognized as revenue when received. Sponsorship revenue is valued at fair market value at the time the goods or services are committed.

(e) Development expenditures:

Development expenditures, including application software, are expensed as they are incurred.

(f) Income taxes:

Future income taxes are provided in recognition of temporary differences between the carrying amount of assets and liabilities and their respective tax bases, operating losses and tax credit carryforwards made for financial reporting and income tax purposes. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be removed or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period in which the substantive enactment occurs.

(g) Employee future benefits:

TSX Inc. and TSX Venture Exchange Inc. have registered pension plans with a defined benefits tier and a defined contributions tier covering substantially all of its employees, as well as a retirement compensation arrangement ("RCA") for senior management. Benefits are based on years of service and the employee's compensation. The costs of these programs are being funded currently. In addition, the Company provides other employee future benefits, such as supplementary medical and dental coverage, to defined eligible employees ("Other benefit plans"). The cost of the other benefit plans is not being funded; however, a provision for this has been made in the accounts.

The Company accrues its obligations under employee defined benefit plans as the employees render the services necessary to earn pension and other employee future benefits (note 7).

The Company has adopted the following policies for its benefit plans:

(i) The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary escalation, retirement ages and expected health care cost.

(ii) For the purpose of calculating expected return on plan assets, those assets are valued at fair value.

(iii) Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the time of the amendment.

(iv) The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees.

(h) Intangible asset:

An intangible asset representing the value of the listed issuer base resulted from the acquisition of a subsidiary and is amortized at 7.3% per year on a declining balance. An impairment review is performed annually. When the carrying amount of the reporting unit's intangible asset exceeds the implied fair value of the intangible asset, an impairment loss is recognized as an amount equal to the excess and is identified separately on the income statement.

(i) Goodwill:

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. Goodwill is allocated as of the date of the business combination to the Company's reporting units that are expected to benefit from the synergies of the business combination.

Goodwill is not amortized and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and the second step of the impairment test is unnecessary. The second step is carried out when the carrying amount of a reporting unit exceeds its fair value, in which case the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. The implied fair value of goodwill is determined in the same manner as the value of goodwill is determined in a business combination described in the preceding paragraph, using the fair value of the reporting unit as if it was the purchase price. When the carrying amount of the reporting unit goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the statement of income before extraordinary items and discontinued operations.

(j) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(k) Earnings per share:

Basic earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the reporting period.

(l) Related party transactions:

Any transactions entered into between the Company and related parties are on terms and conditions that are at least as favourable to the Company as market terms and conditions and are recorded at the agreed upon exchange amount.

2. Adoption of new CICA Handbook standards:

In August 2001, the Accounting Standards Board of the CICA issued Handbook Section 1581, Business Combinations, and Section 3062, Goodwill and Other Intangible Assets. Under Section 1581, the purchase method should be used to account for all business combinations initiated on or after July 1, 2001. Under Section 1581, intangible assets acquired in a business combination should be identified and recognized apart from goodwill when they arise from either contractual or other legal rights or they can be separated from the acquired enterprise and sold, transferred, licensed, rented or exchanged, either individually or with a group of related assets or liabilities.

For business combinations consummated on or after July 1, 2001 accounted for by the purchase method, goodwill and intangible assets with indefinite lives are not amortized, and intangible assets with a finite life are amortized over their useful life.

The provisions of Section 1581 have been applied to the acquisition of TSX Venture Exchange Inc., as described in note 3.

3. Purchase of TSX Venture Exchange Inc.:

On August 1, 2001, the Company acquired 100% of the outstanding common shares of TSX Venture Exchange Inc. The results of TSX Venture Exchange Inc.'s operations have been included in the consolidated financial statements since that date. TSX Venture Exchange Inc. is Canada's public venture capital marketplace providing companies and entrepreneurs with access to capital.

The purchase price was $50,000 in cash plus closing costs of $1,794. The final allocation of the purchase price, including the valuation of goodwill and intangible asset, was completed during the first quarter of 2002. The following table summarizes the estimated fair value of assets acquired and liabilities assumed at the date of acquisition:

As at August 1, 2001:	
Cash	$ 3,226
Current assets	24,811
Premises and equipment	10,178
Future income taxes	4,952
Other assets	585
Intangible asset	26,900
Goodwill	5,963
	76,615
Current liabilities	9,652
Restructuring charges	15,169
	24,821
Purchase price	$ 51,794

4. **Investments and marketable securities:**

(a) The carrying and fair values of the investment portfolio are as follows:

	2002		2001	
	Carrying value	Fair value	Carrying value	Fair value
Money market fund	$ 111,465	$ 111,465	$ 36,503	$ 36,503
Short-term bond and mortgage fund	115,233	115,233	–	–
Debt securities	–	–	155,023	159,121
	$ 226,698	$ 226,698	$ 191,526	$ 195,624

The fair value of debt securities is based upon published market prices at the year-end date. The fair value of pooled funds is based upon values provided by the investment manager.

(b) An analysis of the carrying value of debt securities, by remaining term to maturity, is as follows:

	Within 1 year	1 to 5 years	Over 5 years	Total carrying value
Securities issued or guaranteed by corporations:				
December 31, 2002	$ nil	$ nil	$ nil	$ nil
December 31, 2001	15,235	72,803	66,985	155,023

(c) An analysis of the average effective yields of the debt securities is as follows:

	Within 1 year	1 to 5 years	Over 5 years	Total debt securities
Debt securities – average effective yield:				
December 31, 2002	nil	nil	nil	nil
December 31, 2001	6.3%	6.9%	6.5%	6.8%

Average effective yields are based on book values, adjusted for amortization of premiums and discounts.

5. **Premises and equipment:**

2002	Cost	Accumulated amortization	Net book value
Premises under capital lease	$ 12,317	$ 8,851	$ 3,466
Computers and electronic trading equipment	37,404	23,669	13,735
Furniture, fixtures and other equipment	14,868	12,712	2,156
Leasehold improvements	31,148	16,940	14,208
	$ 95,737	$ 62,172	$ 33,565

2001	Cost	Accumulated amortization	Net book value
Premises under capital lease	$ 12,317	$ 8,195	$ 4,122
Computers and electronic trading equipment	109,908	92,857	17,051
Furniture, fixtures and other equipment	19,938	16,920	3,018
Leasehold improvements	38,647	24,768	13,879
	$ 180,810	$ 142,740	$ 38,070

As at December 31, 2002 $12,078 of leasehold improvements, $75,692 of computer and electronic trading equipment and $5,577 of furniture, fixtures and other equipment had been fully amortized and were no longer in use by the Company. Accordingly, these amounts were removed from both the costs and accumulated amortization in the 2002 financial results.

6. **Other assets:**

	2002	2001
Accrued benefit asset (note 7)	$ 4,844	$ 5,046
Other assets	1,035	658
	$ 5,879	$ 5,704

7. Employee future benefits:

Information about the Company's benefit plans is as follows:

	Pension and RCA plans		Other benefit plans	
	2002	2001	2002	2001
Accrued benefit obligation, beginning of year	$ 35,321	$ 32,194	$ 4,790	$ 4,047
Service cost	2,287	2,413	372	322
Interest cost	2,533	2,416	338	268
Benefits paid	(3,103)	(3,956)	(93)	(87)
Employee contributions	494	697	–	–
Actuarial losses	–	(684)	(14)	(21)
Plan amendments	–	66	–	–
Transfers-in from business combination	–	1,601	–	716
Curtailment	–	–	455	(455)
Special termination benefits	–	574	–	–
Accrued benefit obligation, end of year	$ 37,532	$ 35,321	$ 5,848	$ 4,790
Fair value of plan assets, beginning of year	$ 38,295	$ 40,883	$ –	$ –
Actual return on plan assets	(2,256)	(2,042)	–	–
Employer contributions	2,191	1,550	–	–
Employee contributions	494	697	–	–
Benefits paid	(3,103)	(3,956)	–	–
Transfers-in from business combination	–	1,863	–	–
Defined contribution payment from surplus	–	(700)	–	–
Fair value of plan assets, end of year	$ 35,621	$ 38,295	$ –	$ –
Funded status – plan surplus (deficiency)	$ (1,911)	$ 2,974	$ –	$ –
Unamortized net actuarial gain	5,086	249	–	–
Unamortized past service costs	1,669	1,823	–	–
Accrued benefit asset	$ 4,844	$ 5,046	$ –	$ –

The significant actuarial assumptions adopted in measuring the obligation are as follows (weighted average assumptions as of December 31):

	Pension and RCA plans	Other benefit plans
Discount rate	7.0%	7.0%
Expected long-term rate of return on plan assets	8.0%	n/a
Rate of compensation increase	4.5%	n/a

The assumed health care cost trend rate at December 31, 2002 was 9.0%, decreasing to 4.5% over seven years.

The net benefit plan expense is as follows:

	Pension and RCA plans		Other benefit plans	
	2002	2001	2002	2001
Service cost	$ 2,287	$ 2,413	$ 1,150	$ 160
Interest cost	2,533	2,416	–	–
Expected return on plan assets	(2,590)	(2,888)	–	–
Amortization:				
Net transition obligations	–	(163)	–	–
Prior service costs	154	147	–	–
Net actuarial losses (gains)	50	(75)	–	–
Special termination benefits	–	574	–	–
Net benefit plan expense	$ 2,434	$ 2,424	$ 1,150	$ 160

The defined contribution tier of the pension plan was introduced in 2001, and $700, representing the entire amount of contribution in 2001, was transferred from the defined benefit tier of the pension plan to the defined contribution tier. In 2002, the Company contributed and expensed $1,446 to the defined contribution tier.

Other information about the benefit plans is as follows:

	Pension and RCA plans		Other benefit plans	
	2002	2001	2002	2001
Employer premiums	$ 2,191	$ 1,550	$ 93	$ 87
Employee contributions	494	697	–	–
Benefits paid	3,103	3,956	93	87

8. Investment in affiliate:

On July 8, 2002, the Company paid $15,000 plus closing costs of $126, to acquire approximately 40% equity interest in CanDeal.ca Inc. ("CanDeal"), which owns an electronic trading system for the institutional debt market. As part of the investment, the Company and CanDeal entered into an agreement under which the Company would provide technological services in support of CanDeal's electronic trading system. Commencing in November 2002, the Company charged $110 for such services. The other shareholders of CanDeal include its founders, Canada's six largest investment dealers, which represent the majority of the institutional debt trading market in Canada and two technology partners.

The investment is accounted for using the equity method. The purchase price exceeded the proportionate share of the fair value of net assets acquired by $16,069. This amount represents intangible assets and goodwill acquired and will be considered in the annual testing for impairment (note 9).

9. Goodwill and intangible asset:

As noted in note 1(i), goodwill is tested for impairment annually. The impairment test is carried out in two steps. In the first step, the Company compared the carrying amount of TSX Venture Exchange Inc. with its fair value. The test was performed in the fourth quarter of 2002. The measurement methodology used to determine whether impairment exists was recoverability based on discounted future cash flows. The Company found that the fair value of TSX Venture Exchange Inc. is at $68,900, which is substantially greater than the carrying value at $50,000. Therefore, there was no impairment issue and the second step of the impairment test was not required and therefore not conducted.

The Company recorded an intangible asset related to the purchase value of the listed issuer base of TSX Venture Exchange Inc. The intangible asset is amortized at 7.3% per year on a declining balance.

	2002	2001
Intangible asset, beginning of year	$ 26,900	$ –
Acquisition of intangible asset	–	26,900
	26,900	26,900
Less amortization of intangible asset	1,967	–
Intangible asset, end of year	$ 24,933	$ 26,900

10. Lease commitments:

The Company is committed under long-term leases as follows:

(a) The rental of office space, under various long-term operating leases with remaining terms of up to 16 years and a capital lease for an initial term of 25 years with an additional 10-year renewal option.

(b) The rental of computer hardware and software for a term of three years.

Current lease obligations over the remaining terms of the operating leases are as follows:

Years ending December 31:	
2003	$ 8,727
2004	5,200
2005	4,360
2006	3,956
2007	3,922
Thereafter	27,784
	$ 53,949

The obligation under the capital lease is as follows:

	2002	2001
Total minimum lease payments ($493 per year)	$ 2,586	$ 3,079
Less amounts representing interest at 15.2%	770	1,045
	1,816	2,034
Less current portion	251	218
	$ 1,565	$ 1,816

Interest on the obligation under the capital lease amounted to $275 (2001 – $304).

11. Share capital:

On December 14, 1999, legislation was passed by the Ontario Legislature, which allowed The TSE to continue as a for-profit, taxable business corporation effective April 3, 2000. Each member or person owning a seat on The TSE received 20 common shares in the capital of TSE Inc. and relinquished all rights as a seat holder. An unlimited number of shares were authorized, with a total of 2,660 shares issued by TSE Inc. having an aggregate stated capital of $7,980. Pursuant to a special shareholders resolution, on July 10, 2002, TSE Inc. changed its name to TSX Inc.

Pursuant to a court-approved plan of arrangement as part of a corporate reorganization and public offering, on November 12, 2002 each common share of TSX Inc. was exchanged for 12,688 common and/or choice shares of the Company. Each TSX Inc. shareholder who elected to sell some or all of its shares in connection with the offering process received choice shares to the extent of the number of shares it sold and each TSX Inc. shareholder received common shares of the Company to the extent of the number of shares it retained. On completion of the reorganization, the Company acquired all of the common shares of TSX Inc. A total of 33,750,091 common shares of the Company is outstanding as a result of the reorganization and offering and the Company has become the holding company of the TSX group of companies.

The authorized capital of the Company consists of an unlimited number of common shares, an unlimited number of preference shares, issuable in series and an unlimited number of choice shares.

Each common share of the Company entitles its holder to one vote at all meetings of shareholders subject to certain restrictions with respect to the voting rights and the transferability of the shares. No person or combination of persons acting jointly or in concert are permitted to beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of the Company without the prior approval of the Ontario Securities Commission.

Each common share of the Company is also entitled to receive dividends if, as and when declared by the Board of Directors of the Company. All dividends that the Board of Directors of the Company may declare and pay will be declared and paid in equal amounts per share on all common shares and choice shares, subject to the rights of holders of the preference shares. Holders of common shares will participate in any distribution of the net assets of the Company upon liquidation, dissolution or winding-up on an equal basis per share, together with the choice shares but subject to the rights of the holders of the preference shares. There are no pre-emptive, redemption, purchase or conversion rights attaching to the common shares, except for the compulsory sale of shares or redemption provision described in connection with enforcing the restriction on ownership of voting shares of the Company.

Details of capital transactions during the year are as follows:

	Common shares		Choice shares		Retained	Total shareholders'
	Number	Amount	Number	Amount	earnings	equity
Balance, January 1, 2001	2,660	$ 7,980	–	$ –	$ 285,841	$ 293,821
Net income 2001	–	–	–	–	30,153	30,153
Common share dividends	–	–	–	–	(21,759)	(21,759)
Balance, December 31, 2001	2,660	7,980	–	–	294,235	302,215
Allocate common shares to choice shares	(1,720)	(5,160)	1,720	5,160	–	–
	940	$ 2,820	1,720	$ 5,160	$ 294,235	$ 302,215
Conversion at 12,688 per share	11,925,117	$ 2,820	21,824,974	$ 5,160	$ 294,235	$ 302,215
Initial public offering	21,824,974	373,207	–	–	–	373,207
Issue costs	–	(4,023)	–	(2,400)		(6,423)
Purchase of choice shares	–	–	(21,824,974)	(2,760)	(368,047)	(370,807)
Net income 2002	–	–	–	–	53,762	53,762
Dividends	–	–	–	–	(20,000)	(20,000)
Balance, December 31, 2002	33,750,091	$ 372,004	–	$ –	$ (40,050)	$ 331,954

At the time of the continuance of The TSE, any accumulated excess in revenue over expenses was internally restricted and could not be distributed to the shareholders, except on a windup of TSX Inc. As at December 31, 2002, this amount was $69,461 (2001 – $96,042).

12. Employee share purchase plan:

The Company offers an employee share purchase plan for eligible employees of the Company and its subsidiaries. Under the employee share purchase plan, contributions by the Company and by eligible employees will be used by the plan administrator, CIBC Mellon Trust Company, to make purchases of common shares of the Company on the open market. Each eligible employee may contribute up to 5% of the employee's salary to the employee share purchase plan. The Company will contribute to the plan administrator the funds required to purchase one common share of the Company for each two common shares purchased on behalf of the eligible employee, up to a maximum annual contribution of $1,250. Shareholder approval is not required for this plan.

The Company accounts for its contribution as compensation expense when it is contributed to the plan. Compensation expense related to this plan was $34 for the year ended December 31, 2002.

13. Share option plan:

The Company established a share option plan effective on completion of the reorganization and offering, which was approved by the shareholders of TSX Inc. on October 2, 2002 and by the Board of Directors of the Company on September 4, 2002. All officers and director level employees of the Company and its affiliates are eligible to be granted options under the option plan. The share option plan, together with the other share compensation arrangements, cannot result in the number of shares reserved for issuance under share options held by any one person exceeding 5% of the outstanding issue. 2,800,000 common shares of the Company have been reserved for issuance upon exercise of options granted under this plan, representing approximately 8% of the outstanding common shares of the Company.

On December 17, 2002, the Board of Directors of the Company approved the granting of 725,000 options to eligible employees of the Company pursuant to the share option plan. These options were granted on January 2, 2003.

14. Long-term incentive plan:

Effective January 1, 2001, TSX Inc. introduced an interim bonus plan (in lieu of a long-term incentive plan) for officers and director level employees of TSX Inc. and its subsidiaries. The interim bonus plan will no longer be used following implementation of the share option plan described above. The interim bonus plan provides eligible employees with a deferred award based on the annual financial performance of the Company. Amounts earned in 2001 were converted into deferred share units for executive officers and restricted share units for other participants in conjunction with the public offering of the Company, with each deferred share unit or restricted share unit having an initial value equal to the price of one common share of the Company in the public offering. Amounts earned in 2002 will be converted into deferred share units or restricted share units once those amounts have been determined (expected to be in late January 2003), with each deferred share unit or restricted share unit having a value based on the value of one common share of the Company on December 31, 2002.

In general, deferred share units vest in accordance with the same schedule contemplated by the existing interim bonus plan, being, for deferred share units issued on conversion of 2001 amounts, one-third on each of December 31, 2002, 2003 and 2004, and, for deferred share units issued on conversion of 2002 amounts, one-third on each of December 31, 2003, 2004 and 2005, but can only be redeemed upon termination of employment or retirement. Restricted share units vest in accordance with the same three-year vesting schedule described above and will be redeemed at the end of the schedule, or in certain circumstances, on an earlier date. The deferred share unit plan and the restricted share unit plan have been established for the purpose of converting amounts earned under the interim bonus plan. The Company does not currently intend to separately grant deferred share unit or restricted share unit awards to executives or other employees. No shares will be issued or transferred on redemption of deferred share units or restricted share units; only cash payments will be made.

The Company records its obligation under the plan, if any, in the period in which the award is earned. As at December 31, 2002, $5,400 (2001 – $2,300) has been accrued and is included in accounts payable and accrued liabilities.

15. Earnings per share:

	2002	2001
Net income available to common shareholders	$ 53,762	$ 30,153
Average number of common shares outstanding	33,750,091	33,750,091
Basic and fully diluted earnings per share	$ 1.59	$ 0.89

16. Income taxes:

Income tax expense attributable to income from continuing operations differs from the amounts computed by applying the combined federal and provincial income tax rate of 38.49% (2001 – 41.44%) to pretax income from continuing operations as a result of the following:

	2002	2001
Income before income taxes	$ 89,799	$ 65,267
Computed expected tax expense	$ 34,564	$ 27,053
Non-deductible expenses	92	76
Share of affiliate loss	232	–
Impact of reduction in substantively enacted income tax rates	259	7,410
Large Corporations Tax	120	–
Other	770	575
	$ 36,037	$ 35,114

The income tax provision for the year ended December 31 is as follows:

	2002	2001
Current tax expense	$ 32,412	$ 19,976
Future tax expense	3,625	15,138
	$ 36,037	$ 35,114

The tax effects of temporary differences that give rise to significant portions of the future tax asset at December 31 are presented below:

	2002	2001
Non-capital loss carryforwards of subsidiaries	$ 3,730	$ 4,037
Capital assets	3,579	4,472
Cumulative eligible capital	37,999	40,579
Financing costs	1,963	–
Other deductible temporary differences	3,069	2,908
Net future tax assets	$ 50,340	$ 51,996
Future tax asset:		
Current	$ 6,516	$ 10,842
Long-term	43,824	41,154
	$ 50,340	$ 51,996

17. Regulatory services:

In accordance with the Ontario Securities Commission recognition order effective April 3, 2000, the Company established a separate division, Regulatory Services, which was responsible for market regulation and was included in the consolidated financial statements. For the year ended December 31, 2001, Regulatory Services received fees of $14,078, incurred operating expenses of $14,134 and purchased capital assets of $35.

The Securities Commissions of Alberta, British Columbia, Manitoba, Ontario and Quebec (the commissions) have recognized Market Regulation Services Inc. ("RS Inc.") as a self-regulatory organization and approved the retention of RS Inc. to perform certain market regulation functions formerly performed by the Company. RS Inc. is a private corporation jointly owned by the Company and the Investment Dealers Association of Canada and operated on a not-for profit basis in accordance with its articles. RS Inc. will provide regulatory services to Canadian marketplaces (i.e., exchanges, alternative trading systems and quotation and trade reporting systems) that contract with it, in consideration of fees to be paid by such marketplaces and their participants. The Company retained RS Inc. to perform certain market regulation functions effective March 1, 2002. Certain employees involved in market regulation were transferred from the Company to RS Inc. effective January 1, 2002. These employees were seconded back to the Company where they continued to perform their market regulation functions until the performance of those functions was undertaken by RS Inc. on March 1, 2002. After retaining RS Inc. to perform certain market regulation functions, the Company ceased to perform those functions on its own behalf, and ceased charging for those functions.

Accordingly, for the two months ended February 28, 2002, Regulatory Services received fees of $2,337 and incurred operating expenses of $1,385.

For the period from March 1, 2002 to December 31, 2002, $7,799 of Business Services revenue was earned for technology, finance and human resources services provided to RS Inc. and $3,313 was paid to RS Inc. for services provided by RS Inc.

In addition, the Company has committed to guarantee indebtedness of RS Inc. to outside lenders in an amount not to exceed $3,250. At December 31, 2002, RS Inc. had no outstanding indebtedness.

18. Financial instruments:

(a) Fair values of financial assets and financial liabilities:

The fair values of the Company's cash, investment and marketable securities, accounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature. The fair value of other assets and the obligation under capital lease is not readily determinable.

(b) Price risk:

Accounts receivable include U.S. $2,106 (2001 – U.S. $2,393), which is exposed to change in the U.S.-Canadian dollar exchange rate.

19. Contingent liability:

On July 30, 2002, a shareholder of an issuer that was listed on the Alberta Stock Exchange (a predecessor of CDNX) filed a claim totaling $43,000 against TSX Venture Exchange Inc., among other defendants, in the Ontario Superior Court of Justice relating to activities of that issuer. Management believes that the claim is without merit and intends to vigorously defend it.

Five-Year Review

(In thousands of dollars)	1998[1]	1999[1]	2000[1]	2001[2]	2002[2]
Revenue:					
Listing fees	37,778	34,876	41,046	54,185	80,504
Trading and related fees	77,179	89,577	124,748	65,882	67,650
Market data fees	26,820	28,756	35,223	43,447	55,457
Market regulation fees	0	0	14,052	14,078	2,337
Business services	0	0	0	0	7,962
Other	7,358	2,710	3,021	2,360	1,975
	149,135	155,919	218,090	179,952	215,885
Expenses	133,002	132,848	120,082	127,119	139,381
Income from operations	16,133	23,071	98,008	52,833	76,504
Loss from investment in affiliate	0	0	0	0	(602)
Investment income	5,029	4,258	11,280	12,434	13,897
Unusual items	0	(32,087)	394	0	0
Income taxes	0	0	(32,772)	(35,114)	(36,037)
Net Income	21,162	(4,758)	76,910	30,153	53,762
Operating cash flow	32,719	21,693	113,438	38,220	81,193
Working capital	95,134	108,015	210,183	191,540	211,044
Total Assets	170,928	182,308	342,477	352,046	386,237
Shareholders' Equity	145,580	140,298	293,821	302,215	331,954
TORONTO STOCK EXCHANGE MARKET STATISTICS					
Volume (millions)	26,765.3	29,280.4	40,752.0	37,190.4	46,351.2
Value ($ billions)	493.2	529.0	944.3	712.5	637.7
Transactions (000s)	12,462.7	17,628.1	32,775.0	26,155.2	26,540.7
Issuers Listed	1,433	1,456	1,398	1,316	1,304
Initial Public Offerings	57	35	58	56	75
New Equity Financing ($ millions)	15,485.2	19,239.2	23,106.8	20,934.8	25,816.9
Market Cap ($ billions)	1,350.3	1,498.2	1,433.9	1,246.7	1,045.2
S&P/TSX Composite Index	6,485.94	8,413.75	8,933.68	7,688.41	6,614.54
TSX VENTURE EXCHANGE MARKET STATISTICS[3]					
Volume (millions)		1,171.6	13,849.1	8,856.9	8,719.4
Value ($ millions)		1,151.6	15,977.9	3,605.4	3,232.8
Transactions (000s)		338.4	4,382.7	1,540.0	1,310.2
Issuers Listed		2,358	2,598	2,688	2,504
New Listings		20	475	277	88
New Equity Financing ($ millions)		64.4	2,370.2	1,081.5	1,440.6
Market Cap ($ billions)		16.6	14.9	10.6	11.1
S&P/TSX Venture Index[4]				1,036.6	1,074.1

1 Prior to April 3, 2000, TSX Group was organized and operated on a not-for-profit basis.
2 The financial results of TSX Venture Exchange have been consolidated into these results from and after August 1, 2001.
3 TSX Venture Exchange commenced operations November 29, 1999.
4 S&P/TSX Venture Index commenced December 10, 2001 with a value of 1,000.

Board of Directors

Wayne C. Fox (Chair)
Vice Chair & Chief Risk Officer
CIBC World Markets Inc.
Committees: Finance & Audit, Governance, Human Resources
Director Since: 1997

Spencer Lanthier (Vice Chair)
Corporate Director
Committees: Finance & Audit (Chair), Governance, Human Resources
Director Since: 2000

Barbara G. Stymiest[1]
Chief Executive Officer
TSX Group Inc.
Director Since: 1993

Ian S. Brown
Senior Managing Director
Raymond James Ltd.
Committees: Governance, Venture Market
Director Since: 2001

Brian A. Canfield
Chairman, TELUS Corporation
Committees: Governance (Chair), Human Resources
Director Since: 1999

Tullio Cedraschi
President and Chief Executive Officer
CN Investment Division
Committees: Governance, Human Resources (Chair), Strategic Policy
Director Since: 2001

Robert Dorrance
Chairman & CEO
TD Securities Inc.
Committees: Finance & Audit, Venture Market
Director Since: 2000

John A. Hagg
Senior Director
Tristone Capital Inc.
Committees: Governance, Venture Market
Director Since: 2001

Harry A. Jaako
Chairman, Co-CEO and Director
Discovery Capital Corporation
Committees: Finance & Audit, Venture Market
Director Since: 2001

Jean Martel
Senior Partner
Lavery, de Billy
Director Since: 1999

Owen McCreery
Consultant
Committees: Finance & Audit
Director Since: 2002

John P. Mulvihill
President & CEO
Mulvihill Capital Management Inc.
Committees: Governance
Director Since: 1996

Gerald C. Throop
Executive Vice President & Managing Director, Equity Markets Group
Merrill Lynch Canada Inc.
Director Since: 1999

Eric C. Tripp
Vice Chairman, Equity Division
BMO Nesbitt Burns Inc.
Committees: Human Resources
Director Since: 1999

1 Ms. Stymiest served as a Director of Toronto Stock Exchange from May 19, 1993 until June 10, 1999 and then resumed her position as a Director on October 12, 1999 when she became CEO.

Executive Officers

Wayne C. Fox
Chair, TSX Group Inc.

J. Spencer Lanthier
Vice Chair, TSX Group Inc.

Barbara G. Stymiest *
Chief Executive Officer, TSX Group Inc.

Irene A. Boychuk *[1]
Vice President, Human Resources,
TSX Group Inc.

Lorraine M. Coady *[2]
Vice President, Human Resources,
TSX Group Inc.

John B. Cieslak *
Senior Vice President, Information and Trading
Technology & CIO, TSX Group Inc.

Clare M. Gaudet *
Senior Vice President
Toronto Stock Exchange

Linda M.O. Hohol *
President
TSX Venture Exchange Inc.

Richard W. Nesbitt *
President
TSX Markets

Robert A. Pattillo *
Vice President, Public Affairs, Research &
Communications, TSX Group Inc.

Leonard P. Petrillo *
Vice President, General Counsel & Secretary,
TSX Group Inc.

Michael S. Ptasznik *
Chief Financial Officer, TSX Group Inc.

1 Ms. Boychuk retired on December 31, 2002.
2 Ms. Coady became Vice President, Human Resources for TSX Group Inc. on January 1, 2003 replacing Ms. Boychuk who retired on December 31, 2002.
* Member of Senior Management Team.

Participating Organizations and Members

As of January 1, 2003

Toronto Stock Exchange Participating Organizations

Acker Finley Inc.
Acumen Capital Finance Partners Limited
Altus Securities Inc.
Assante Capital Management Ltd.
Berkshire Securities Inc.
BMO Nesbitt Burns Inc.
BNP (Canada) Securities Inc.
Bolder Investment Partners Ltd.
Brant Securities Ltd.
Brawley Cathers Ltd.
Brockhouse & Cooper Inc.
Burgeonvest Securities Limited
Byron Securities Limited
Caldwell Securities Ltd.
Canaccord Capital Corporation
Cartier Partners Securities Inc.
CIBC World Markets Inc.
Clarus Securities Inc.
Commission Direct Inc.
Correspondent Network
Credifinance Securities Ltd.
Credit Suisse First Boston Securities Canada Inc.
Darier Hentsch (Canada) Inc.
Desjardins Securities Inc.
Deutsche Bank Securities Ltd.
Dlouhy Merchant Group Inc.
Dominick & Dominick Securities Inc.
Dundee Securities Corporation
E*TRADE Canada Securities Corporation
e3m Investments Inc.
Edward Jones
FIMAT Derivatives Canada Inc.
First Asset Advisory Services Inc.
First Associates Investments Inc.
First Delta Securities Inc.
FirstEnergy Capital Corp.
Foster & Associates Financial Services Inc.
Friedberg Mercantile Group
Georgia Pacific Securities Corp.
Global Securities Corporation
Golden Capital Securities Limited
Goldman Sachs Canada Inc.
Griffiths McBurney & Partners
Hampton Securities Limited
Harris Partners Ltd.
Haywood Securities Inc.
HSBC Securities (Canada) Inc.
Independent Trading Group
Industrial Alliance Securities Inc.
Instinet Canada Ltd.
IPC Securities Inc.
IPO Capital Corp.
ITG Canada Corp.
J. C. Clark Ltd.
Jennings Capital Inc.
Jitney Group Inc. (The)
Jones Gable & Company Ltd.
Kingsdale Capital Markets Inc.
Kingwest and Company
Laurentian Bank Securities Inc.
Le Groupe Option Retraite Inc
Leede Financial Markets Inc.
Lightyear Capital Inc.
Loewen Ondaatje McCutcheon Ltd.
MacDougall MacDougal & MacTier Inc.
Maison Placements Canada Inc.
Maple Securities Canada Limited
McFarlane Gordon Inc.
Merrill Lynch Canada Inc.
MMI Group Inc.
Morgan Stanley Canada Ltd.
National Bank Discount Brokerage Inc.
National Bank Financial Inc.
Norstar Securities International Inc.
Northern Securities Inc.
Octagon Capital Canada
Odlum Brown Limited
Pacific Int'l Securities Inc.
Paradigm Capital Inc.
Penson Financial Services Canada, Inc.
Peters & Co. Limited
Pictet Canada L.P.
Polar Securities Inc.
Pollitt & Co. Inc.
Pope & Company
Quest Capital Group Ltd.
Raymond James Ltd.
RBC Capital Markets
Refco Futures (Canada) Ltd.
Research Capital Corporation
Roche Securities Limited
Salman Partners Inc.
Scotia Capital Inc.
Sprott Securities Inc.
Standard Securities Capital Corporation
State Street Global Markets Canada Inc.
Stephen Avenue Securities Inc.
Strategic Capital Partners Inc.
Sun Life Securities Inc.
TD Securities Inc.
TD Waterhouse Canada Inc.
Timber Hill Canada Company
Tristone Capital Inc.
UBS Bunting Warburg Inc.
Union Securities Ltd.
W.D. Latimer Co. Limited
West Wind Capital Partners Inc.
Wolverton Securities Ltd.
Woodstone Capital Inc.
Yorkton Securities Inc.

TSX Venture Exchange Member Firms

Acadian Securities Incorporated
Acumen Capital Finance Partners Limited
Assante Advisory Services Limited
Bieber Securities Inc.
BMO Nesbitt Burns Inc.
Bolder Investment Partners Ltd.
Brawley Cathers Limited
Caldwell Securities Ltd.
Canaccord Capital Corporation
Cartier Partners Securities Inc.
CFG Financial Group Inc.
CIBC World Markets Inc.
Correspondent Network
CTI Capital Inc.
Dominick & Dominick Securities Inc.
Dundee Securities Corporation
Emerging Equities Inc.
E*TRADE Canada Securities Corporation
First Associates Investments Inc.
First Delta Securities Inc.
FirstEnergy Capital Corp.
Friedberg Mercantile Group
Global Securities Corporation
Golden Capital Securities Limited
Griffiths McBurney & Partners
Hampton Securities Limited
Haywood Securities Inc.
HSBC Securities (Canada) Inc.
IPO Capital Corp.
ITG Canada Corp.
Jennings Capital Inc.
Jones, Gable & Company Limited
Jory Capital Inc.
Kingsdale Capital Markets Inc.
Leede Financial Markets Inc.
Loewen Ondaatje McCutcheon Limited
Merrill Lynch Canada Inc.
National Bank Financial Inc.
National Bank Financial Ltd.
NBCN Clearing Inc.
Northern Securities Inc.
Octagon Capital Canada
Odlum Brown Limited
Pacific International Securities Inc.
Paradigm Capital Inc.
Peters & Co. Limited
RBC Capital Markets
Raymond James Ltd.
Research Capital Corporation
Roche Securities Limited
Salman Partners Inc.
Scotia Capital Inc.
Sprott Securities Inc.
Standard Securities Capital Corporation
Stephen Avenue Securities Ltd.
TD Waterhouse Canada Inc.
TD Securities Inc.
TWC Securities Inc.
UBS Bunting Warburg Inc.
Union Securities Ltd.
W.D. Latimer Co. Limited
Wellington West Capital Inc.
West Wind Capital Partners Inc.
Wolverton Securities Ltd.
Woodstone Capital Inc.

TSX Venture Exchange Participating Organizations

Brant Securities Ltd.
Commission Direct Inc.
CTI Capital Inc.
Desjardins Securities Inc.
KPLV Securities Inc.
Industrial Alliance
Laurentian Bank Securities Inc.
MacDougall MacDougall & MacTier Inc.
National Bank Discount Brokerage Inc.
Norstar Securities International Inc.
Paradigm Capital Inc.
Penson Financial Services Canada Inc.
Pollitt & Co. Inc.
Pope & Company
Refco Futures (Canada) Ltd.

The Participating Organization category was added by TSX Venture Exchange as part of the exchange realignment to permit members of other Canadian stock exchanges (Toronto Stock Exchange and Montreal Exchange) to have trading access rights to TSX Venture Exchange. As such, Participating Organizations are limited in terms of corporate financing activities, including sponsorship.

Shareholder Information

Stock Listing
Toronto Stock Exchange

Share Symbol
"X"

Auditors
KPMG LLP
Toronto, ON

Registered Office
The Exchange Tower
130 King Street West
Toronto, ON
M5X 1J2

Head Office
The Exchange Tower
130 King Street West
Toronto, ON
M5X 1J2

Regional Offices

Calgary Office
300 – 5th Avenue SW
10th Floor
Calgary, AB
T2P 3C4

Montreal Office
1000 Sherbrooke Street West
Suite 1100
Montreal, QC
H3A 3G4

Vancouver Office
650 West Georgia Street
Suite 2700
Vancouver, BC
V6B 4N9

Winnipeg Office
One Lombard Place
Suite 600
Winnipeg, MB
R3B 0X3

Share Transfer Agent
Requests for information regarding share transfers should be directed to the Transfer Agent:

CIBC Mellon Trust Company
PO Box 7010
Adelaide Street Postal Station
Toronto, ON
M5C 2W9

Tel: (416) 643-5500 (Toronto Area)
1 800-387-0825 (North America)
Fax: (416) 643-5501
Web: www.cibcmellon.com
email: inquiries@cibcmellon.com

Investor Contact Information
Investor Relations may be contacted at:

Tel: (416) 947-4277 (Toronto Area)
1 888 873-8392 (North America)
Fax: (416) 947-4727
email: shareholder@tsx.com

Annual Meeting
The Annual Meeting for shareholders will be held at 4:15 p.m. (Eastern Standard Time) on May 8, 2003 at:

Novotel Toronto Centre Hotel
Champagne Ballroom
45 The Esplanade
Toronto, ON
M5E 1W2

Contributors
Purdy Crawford, O.C., Q.C., Counsel, Osler Hoskin & Harcourt, Toronto
Scott M. Hand, Chairman and Chief Executive Officer, Inco Limited, Toronto
Nancy C. Southern, President and Chief Executive Officer, ATCO Group, Calgary
Derrick H. Rowe, Chief Executive Officer, Fishery Products International, St. John's
William R. Fatt, Chief Executive Officer, Fairmont Hotels & Resorts Inc., Toronto
Barry Allen, President and Chief Executive Officer, VSM MedTech Ltd., Vancouver
Gwyn Morgan, President and Chief Executive Officer, EnCana Corporation, Calgary
Maurice Piché, President and Chief Executive Officer, Andromed Inc., Montreal
R. Jeffrey Orr, President and Chief Executive Officer, Investors Group, Inc., Winnipeg
Donald L. Triggs, President and Chief Executive Officer, Vincor International Inc., Mississauga

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www.tsx.com

Toronto Stock Exchange RCI BAY THR SWP
INB UTS MBX OLT CYN SO ITE MBL TVL ELI LSC
TPW NII IQ AVZ CGO FFF CLV AL CDL RGR FPU PLB
FXX PEL SBA AAC HUM UNC IDG SCT HTE INC SNH
VTN BNP CRE RTU RSI BLS ARX IEY REI CMC CCA GI IZP
GBT BLX BDB CDR KCR CBI DMK FID CUR GDL GBO GLV
ITP OAX DUT EMA MX PVC JDU KEC SDI GFD MOV RER U LB
CLS HBC TFP CRC SSB RSE CQL ABZ SDQ IRD DMN XMD PBN
TUN LIV AKT WCS TRX RNG PFN ACO MDI IMG NSU ONE NXA
ADY MCC ATQ SID ICS EMP WQM MTM D NMT Q BMO QRL BLD ZIC
WZL HPS ESP STQ SM HMM RIC CCS ACF KMS NUS CRW CQC CHT
VUE STZ ENE FSH VOY ADX NWI IPA FYP GSV FNX MMN FM BCE CDE AET
CCP MED YTU GDS DII MDA OYP SRX PES PXV CU SIC CSY FFR FZP PVE
CMR IPO BIZ LDM L TOC COB MID MIE FAI HAL CAF TVA BC BBL GNY HIT CLE
SYS CHR HCC MRC CEF SGB USA CRN VRK DZR PWX PVX GRL ATN DX HSG CNQ
HLG TIM BRA HUX NQL AXX FSR MUR ATF MPH SPL PL ISH BHK LBL PTA PAC SOD
WRM MGX FMC SWE VMY BPF MVP CAZ UEX PFB CKI GNS GBI BNS GAC CHU REK IUC
API OPW CHE LAF YMG ACD LSZ CIC MFE WES AOP CTL PBG SW GND SPW CNR BLZ
AMM CRU TEV IED LPV CLC MCB GLH CBD VLN WN SSC FET RGL NTX AGF TNK PDL IVT RCC
ANS ACC ITF CBY FTS BNB VGZ SLE MRE ISA AGU IFY WDA BNN FLY MG MMD TXC AXO EMI
HRG SBL SC XTC HZI WTC BWT XPL QBR DNK B IPX CSW MMF GIB KHD SSG CSN ALD ATA MDP
BGO DSA CAR CUF HIF MEW NLG GCM TLI PSD GTG EFX SSY SEV CPI AM IFN BNQ IMI TOG KCP IBT
GFI DEH XGX XGV FES MNT CNJ ELD XER XRE XCN PON ST IQW DSC GSL DMW BPP KOB JUM APF
MFU MAL PD MFI GSW MLX PSI TWH MUH SFC DW YGA WM VHQ OPP TZH SUF GIL EDU COI SCF TGO
TLS SNW CIP MDS NIR PCA CNF ESI DDS HOT RNO GNI TEK SJR BUI TFF IEX BEK VN IMO FRU LIR GNA NRG
GWO NRI NEW IVN OTC TFS BBT OYR DIV FIP FMI GRO SKD TIV BGI SGD TBC CHM GLG CFT BVX EPE WRX SIF
MRD CCL BPO TRA CWL LTV HAE VET COH HSB HBH SCO MBN AFT ALC LMS DOL CCR FP PAS AVP RKS IPL DTF
PCN ADL W GAU PLI UP HCN SJ FPI ARA DLR FCR CLQ XFN XGD PGX R FZR XSP PEY LIF PAE RIM BBB BAS WIN URC
EUG STN ZAR SLF NS IFP ATX TRF AVN ATY AFM RYG COS KWE CJC GD TNX TYT ZCL CMT GBU MSF OCX NBX MAX
WCM POU GNM MDT DBC PIC FAN CYT AMJ AZC IVO CRY MFC CPG TIF LCI UNG NOW MLC ARE TA DJN AFO FMO DF
TSX Venture Exchange CRS TTL RCX DGM SHF GRE TVS LHT AMP.P SOF.P SEL.P FBO.P EXC DOS GEE BDE.B CRD
R.T IOL KBG GTO.P BEG.P PCS GS.P INO.P BMC GYZ.P NNP SOS.P TCC.P RDL.P BYO.P UCB TEI RCA.P IEN REM IN
SCP.P ACP DAC LAP.P RTC MMR.P ORO.U LBK TLR.A PHI.P TGX GNJ.P CHY RUT BMI CJH.P RMT ROK SWB TOL TEC
TGG AAG WNX AAF CZZ BDT AAE WXI PGI AHP TMC CDU HPR GIM EGU TEQ KGI RAL VVV KRT UME RMX EDV YW
CDH CNI SFE.A MTX.T QBX ALS BKM SJD CEY LCN OYM CII NNM.RS YBE GCU WF.A YNF BZA YEV FCT SVA HDM NC
FLO LOV LC IMP.A AZD ARQ LPT CBA DSM CTF SGF ABG BPR SXG RDU FME RVL MAI BIP FWR CHV PID SMY MRR IN
IAU TYK DNT YTP ADB SPR PTS IMR EEL AAS STU MOA SPS.A YNB.U MXE IWA STL GGS MNP VMS SUU.A COQ DR
AOT IAM GBX EMR YGI TOR IPR SSD HDR CQR MDW ANG ITS ZED YGP IF OFI EPI SIS YPM VTI DLT.S GAV MRM EIN E
ODX GSS HXL YIB CQV PTO AVS HGM DSR BBS AXM TLX CEE TCH.U PWE PHX NVE RSX LTC GBN NDM GA ANR.U FW
ZEL MDY MAJ PAL OLI IFF ITH KG ECY QIS BCP SNV RCE SVU BEL ASM CD ALH BTN US CPU GEM TUM HMB.A WT
WKR PPX SHH GCA EZM EV WRL YDG YCY VCP CWD PSE CDN SN BUG OML WIM GTX KLG.U VIO PCR IPH MNO DV
YVY DOR SCV RBP GNG IBR NTC CAA CML ROS FFS MPG SDX YTX PER ANI MDG YVA HCR IPN YSP YNN DVS APK YB
MIX WP AVA KGF GC UTX.A SP AHR PVS AAU INS PAT BFD PYM PSP CSA GLS LRL STC MXI EXR NEM YAG PFX WST
GCP RAR GGR YNV CY CZO JBO PIX PKX WDC RKG HMI TVT AMU CTZ WNS EWK YTN MOK SRW MD YTE GKX E
PCO SLG DVV CSI IVK RVM MSM EXT INT SSP MSQ YFT MBA.T BCS MVW ZEO RAC DIT YYS MEV JEN GBR IT AVX VU
INU ORS ICT NOR GIX SSR BUZ TR AOE LIC DTI CDY BSC MSK RDN MMZ TIP QTA NNT JOB RL KPY IWS NDE YCJ S
CSM AGN MSA MMT OLS.T RWP AQI CES AFR TGE KYC DMR CCG TV SQD MMP.A SNA VPI IIE.T HP MKT AVL MEA JU
SNN VTT RSG ASD KNX PRI NAI RHS VPG FYI IDM TGK CDK CTE PRF.U GTI AUN CXM CFX.B PHO STG YBW PCM.T S
YTQ ASW QEL GGV BBP DFC.U BPD CGG SRS NAM AAR.T GYD TVC.T YPR TOM BRN TUO BLH AMG.P BSV REV KZN
IGM STI LBX GOG CWQ SUM YBZ BTT THC VOX HYE YOM ENV YNM YKA WEL PYT PSH IFL JET TDM.T ABV SDA CH
EVI.S CVT.A CZ SBR CND BWS RDK IDH SVL.T IBP RCK MVI CXG.A YWW RTS USC YAZ NMI AKV LMD DVX EYE.A LM
LUK DPE ERA BSM ELE VCG TSI AZN SPI SHO IFT YKL UVC YOL ADH GUL YRW NPP GOS OLE WVP YAT CUS CCB GV
GOM NAT BDZ EQE NRS TFA.A ET VIT LVH FAV PLT CVW SHU KDX ONI LZN MRY AQZ BEO FST WEN NCO YAH PRA
QCC ANL LWC VTX.T CSU TXV GLB VRI OSM IBH MBP CTG CUI SCN PIV GPI FBR BBK MDU SRK ADE SDW KHA DF
KMK AZT CMU EB SNO VCI SOH GLO PKB SEE CEC SER BDP MWT MCY GFX CHA GCF LEG AA NOT RAU PRD YRD SN
SYI UNO ERT MLB TLA PIE BKL GAT.P PF DEX ML SED DV.U QA RRE GGH.T GBD PBT RMI MEI SAN NXM.T ORN JS
JRY RRM GLK GST AHE GCN NVC PSN YFG AKN USR ATL.A YEL.T TCN CVE.T CPV PEX HED YMS GUF GNO IMV MDV YT
STM CZC SMB EUK YGY CJG AYN SSX ILU ERH PLY CGW IEG UVN FTR TAR RGC MKR HOO DIB YTL EQU JML QV
NRX FGA PRL RMC SRL YCH.A YGH AGV PLC YPC SB TTA LCD HAO YRG PAW SLT GNX VQE OCL MRQ.P UBN WCX L
YNK RAY ANA KDC GFS.K PBR YNE CFS LIT SDN BPX.A LKW LTE AQX TSN.U YBU.U EIR RRO PGS WKM LTH KRR PVN
YAN QSV.P UCA AYR.A SRV PNC.T IRO YRC IFR POG HOW UIC YBL.T LES SQA SGC NRF CBS XMT BUV MLR.U LMA AH
FFC YSV ODE UNB.T VHM GRU CLU TRB UNT ADG IPT YCP EAM YAU APN.P YEH CNM MP.PR.A NBL TRG FIN BXC
COO TEN XF BT.PR.K ISN GIC.A AZM SSA ALF SMD FSD YEP KAC GAS CA NEO AOU HGP YND PGB YAA YLM SGR
UPT YLE.U EXZ.U GB TKW PSG HTL MSL NCS OSK CWS SKT LRN BCO MCK IGC AMX APE FFP MLE NNA PCT
GPA VSR.A KNP PVF FRV CHC CMK BIX HLK MNU VCC WNN TLP RUN GEG YNX GMM IEV ODA.T HLW ISG
SIG ENG ALM NWV.T PVL GRR ALO TRN IVV ASZ YLF PEN MUL CZS AQC CZQ BHR AKX GCH RCO AVH
ATZ AVQ NGQ MTR LYM CSX YIF NCM YLT BRS DSK BLL SCM BZV YMP AIS REC OMI ONN YRT TGM
SCA CED WRS NUG.A YWA EEV URB CT ATC MDL BKC BOV ABN AAB ELM RSS YFR PHN IHY SXL
MA.A WPI WGL PT YQN AOH THO IKI TVM YDS ELN OBO.A CFF TPO YDC AUI LGR WRY CSP AFC
DRG PQN CSF GGB KRD PPM SPX SKM DMT.S FMR SCR URX GLY FRI EXQ IWX ACX.T YGV BOT
YAD HET YRM EMM BGL.T ULC CRF ALX FVV MHW TIA CNA WRR YRU.A FO.T TXM ABR WA
EVE SNT LLX EBN THX AOK MDX SPT ANB VCS.U DLO UTO.B NNS YWN KRO PSF SHP CAI
FEX CPS RO TON CMN HUB KNG NH ESS PPH GPL LMB TUS NCN AUV MON IRI SBI
XCR.T WWI GTN.PR.B JVC SDC CGJ BDL ZTU WIP CGL AMI TEE PRM TRK FGW MPI
APT XRC NAX AST AWA YUL.T SMH ILF SGU.T MEG YOR ANN WYM AKG DDC HLC
QCT DSS YSX.U SWO YOA AWX DI BFT OSE YHP AWT DUF PFD DVD TPC GID.P
MVC UGS.T IGU KAZ NLI DLY FVT BUK.P ODT.A KRM.P VDN TES FMG.A SWA
SFW WWK DTY MGA OEC UFC IVR SAV SRP IWI.A CHQ.UN.A BRL XEL WFP
FHE NPT CGT FWO SSN CXC PCG.P ICB NLD CKX WYN NTT ATS TAA HH
ANY.T YAI.T AZX.T ARR.T YRL.T ACR.T AUS.T BV.T BER.T BRV.T BVG.T
ENR.T ENW.T EXX.T FIX FCV.T FIL.T GUS.T GSB.T GFM.T GTT.T GMI
JRN.T YKB.T KSM.T LAL.T LPX.T LXO LVE.T LRX.T YLC.T LUV.T
RVD RVS.T RXW.T SFU.T SIR.T SIM.T SKR.T SOP.T SAY.T SUN.T
BRD.T WL.T XMP.T AEP ADU AVD ICF AEE.P AVB ATT AVI
CNE CUN CYI CIO.A CDP CGA CMO JPG.U NWG CKS CTC
GRZ GRD GMS GME GBM HHC.P HLL YHI HTN HMD
YNT.WT.B NM NEX NCE.P NVN NUC.P ODI OVX.P
SFI STD SBO.P SSH.P SVC YSW TAE TAM.P TPA